Daily Report

East Europe

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FBIS-EEU-95-050 *15 March 1995*

CONTENTS

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INTERNATIONAL AFFAIRS

Butrus-Ghali on UN Problems, Problems in Croatia *[Belgrade TELEGRAF 8 Mar]* 1

ALBANIA

Greek Foreign Minister Begins Official Visit *[Tirana TV]* 4
Meets With Meksi *[Tirana Radio]* 5
Discusses Ties With Serreqi *[Tirana Radio]* 5
Greek Reporting on Visit *[Athens Radio]* 6

CZECH REPUBLIC

Extract of Prime Minister's Copenhagen Speech *[DENNI TELEGRAF 11 Mar]* 8
Havel Comments on Human Rights, Political Behavior *[Prague Radio]* 8
Prime Minister on Trade Unions, Security Service *[Prague Radio]* 10
Moravian Movement Holds First Congress *[LIDOVE NOVINY 13 Mar]* 11

SLOVAKIA

Schenk on Foreign Policy Goals, Hungarian Talks *[Bratislava Radio]* 12
Meciar Explains New Anticorruption Program *[NARODNA OBRODA 9 Mar]* 12
Comment: Jurisdiction Law Expands Meciar's Powers *[SME 13 Mar]* 13
Minister Discusses New Law on Foreigners' Stays *[NARODNA OBRODA 10 Mar]* 13

HUNGARY

Horn Accepts Resignations of Two Ministers *[Budapest Radio]* 15
Security Minister Resigns Over Antisocial Policy *[Budapest TV]* 15
Culture Ministry Official Resigns Over Measures *[Budapest Radio]* 15
Interior Minister Comments on Economic Measures *[Budapest TV]* 15
National Bank Chairman on Economic Situation *[Budapest Radio]* 16
Government Reduces Number of TV Staff *[Budapest Radio]* 16
Finance Minister-Designate on Principles, Plans *[HETI VILAGGAZDASAG 25 Feb]* 16
Program Evaluated *[BESZELO 23 Feb]* 19
Party Leader Calls On Prime Minister To Resign *[Budapest Radio]* 20
Hungarian-Slovak Talks on Basic Treaty Continue *[Budapest TV]* 20
Romanian Minister on Progress on Basic Treaty *[MAGYAR HIRLAP 14 Mar]* 21
Official Assesses National Security Bill *[MAGYAR NEMZET 13 Mar]* 22

POLAND

Exportation of T-72 Tanks to Iran Suspended *[ZYCIE WARSZAWY 15 Mar]* 24
Trade Ministry Unhappy *[PAP]* 24
Russia's Gaydar on Relations, NATO, Chechnya *[GAZETA WYBORCZA 14 Mar]* 24
Talks With Russia on Okhotsk Sea Fishing Halted *[GLOS SZCZECINSKI 9 Mar]* 26
Byrt Not Allowed To Accompany Walesa to Norway *[GAZETA WYBORCZA 15 Mar]* 26
Oleksy Dismisses Customs Office Chief *[PAP]* 27
'Solution' to 'Conflict' Over GS Head's Status *[ZYCIE WARSZAWY 15 Mar]* 27
Operations in President's Chancellery Detailed *[POLITYKA 4 Mar]* 27
Official Appointed To Oversee Economic Reforms *[Warsaw TV]* 32

Privatization Minister on Plans, Changes *[RZECZPOSPOLITA 14 Mar]* 32
Head of Intelligence on Openness, Activities *[POLSKA ZBROJNA 14 Mar]* 33
Poll Shows Loyalty to Political Camps *[GAZETA WYBORCZA 14 Mar]* 35

ROMANIA

UDMR Organizes 15 Mar Commemoration Events *[EVENIMENTUL ZILEI 11 Mar]* 36
UDMR Rejects Call To Cancel Ceremony *[Bucharest Radio]* 36
Iliescu Said 'Fed Up' With Funar Statements *[ADEVARUL 11 Mar]* 36
Opposition Parties Oppose Privatization Law *[ROMANIA LIBERA 8 Mar]* 37
Groups Considered To Have Officially Left CDR *[Bucharest Radio]* 37
Party Official on Corruption, Commemorations *[ADEVARUL 11 Mar]* 38

BOSNIA-HERZEGOVINA

Social Democrats Support Federation Agreement *[Sarajevo Radio]* 39
Pejanovic: Federation 'Solution' to National Issue *[Sarajevo Radio]* 39
Akashi Conveys Pale's 'Ideas' to Izetbegovic *[Sarajevo Radio]* 39
HDZ Protests 'Inexplicable Silence' Over Santic *[Sarajevo Radio]* 40
ICRC Suspends Flights to Sarajevo *[TANJUG]* 40
Relief Convoy for Srebrenica Turned Away *[TANJUG]* 40
SDP Protests 'Autocracy' of RTV Management *[Sarajevo Radio]* 40
Official Views Parties' Strength, Other Issues *[DANI 28 Feb]* 41

CROATIA

Martic Against Major Changes to UN Mandate *[TANJUG]* 46
Herceg-Bosna's Jukic on 'Persecution' of Croats *[Zagreb Radio]* 46

SLOVENIA

Kacin: Perry Sees Country as 'NATO Member' *[Ljubljana Radio]* 47
Thaler Views Yugoslav Conflict, EU, NATO *[Munich SUEDDEUTSCHE ZEITUNG 14 Mar]* 47
Personnel Changes in REPUBLIKA Management *[VECER 11 Feb]* 49

YUGOSLAVIA

Federal

President's Speech Marks Anniversary of UN *[Belgrade Radio]* 50
Production Declines in Metallurgical Industry *[EKONOMSKA POLITIKA 2 Jan]* 50

Serbia

'Mass Movement' of Tanks to Croatian Border Noted *[NASA BORBA 14 Mar]* 52
SPO Welcomes 'Unchanged' UNPROFOR Mandate *[Belgrade Radio]* 52

Montenegro

Kilibarda: Tudjman Obtained 'New Concessions' *[SRNA]* 53
Montenegro-Croatia Border Conflict Viewed *[POBJEDA 15 Feb]* 53

Kosovo

Rugova Warns of 'Dangerous' Army Recruitment *[RILINDJA 11 Mar]* 53

Butrus-Ghali on UN Problems, Problems in Croatia

AU1403192695 Belgrade TELEGRAF in Serbo-Croatian 8 Mar 95 p 6

[Interview with UN Secretary General Mr. Butrus-Ghali by Zoran Vitorovic in Vienna; date not given: "If the UN Protection Force Withdraws From Croatia by Only an Inch, This Will Be a Catastrophe—Other Armies Are Getting Ready To Take All Strategic Positions"]

[FBIS Translated Text] [Vitorovic] In the discussions about UN peacekeeping operations, Hisashi Owada, the Japanese ambassador to the United Nations, pointed out that "the Yugoslav situation, which was also caused by present UN restrictions and slim possibilities, was very dramatic because its consequences were unforeseeable and global." He thinks that the UN should respond "more rigorously and concretely as far as parties to any conflict are concerned, and especially regarding the parties to the present Yugoslav conflict, instead of waiting for them to agree on something." What is your opinion?

[Butrus-Ghali] Ambassador Owada is right when he claims that something has to be done urgently. The UN is not the biggest problem, however. The biggest problem is its member states. If we look back to 1988 we can see that our preventive actions of diplomacy and peacekeeping have constantly risen up to date. To be more exact, in 1998 we organized five peacekeeping operations, and there were 11 in 1992. The number of these missions is 16 today. The number of military personnel who are serving under the UN flag has risen from 9,570 in 1988 to 62,333 today, and the number of civil police forces from 35 to 1,169. The number of countries that put police and military forces at our disposal has increased from 26 to 74, and the UN annual budget has risen from $230 million to $3.6 billion.

Our largest mission is at present engaged in the territory of the former Yugoslavia, and this diminishes our ability to respond to situations in other crisis areas—in Tajikistan and Afghanistan, for example. An especially big problem is that the United States has reduced its contribution to the UN, which has been an additional burden to the UN budget.

It is constantly required of me, as UN secretary general, as well as of the whole organization to do something, and the UN is at the same time confronted with the problem that it does not have its own equipment, technique, army.... We have to borrow all this from UN member states, and this can only occur voluntarily. This means that everything depends on the mandate the UN is given and, basically, on what the UN member states want us to do. The UN is an instrument of its member states, and there are always small confusions here.

There are 32 open and over 75 possible conflicts in the world today. We should see to all of them.

[Vitorovic] What are the biggest UN problems, and what has happened to the idea of establishing permanent UN military forces?

[Butrus-Ghali] There are various opinions about it. There are some concrete ideas, too. First of all, these forces would cost $2-3 billion per year. There are also ideas about imposing taxes on various forms of international trade—on some energy sources, for example, which could, according to economists' calculations, result in an income of $1 billion per day, which is an enormous amount. This would, on the other hand, make it necessary to organize special divisions in the UN, which would work on the problem of financing these forces, then other divisions for coordination etc.

I sincerely hope that the UN member states will not decide to establish something new in the near future, because what we now have is more than enough, since we have enough problems in the present situation anyway.

The most important thing is that the UN member states should realize what the main task of the UN is in this post- cold-war world and give up their ignorant behavior toward the UN.

I mean that we have to efficiently use what we have, which requires the goodwill of our member states. Apart from that, we are already carrying out large-scale reforms, and new divisions in our organization would only make the present situation more difficult.

I am constantly required to do something, even to do something more regarding certain forms of permanent UN military forces, but I have to say that these decisions have to be taken by our member states. If they do not want them and if they cannot agree, I cannot do anything about this issue.

[Vitorivic] What are the main UN problems then, and how do you solve them?

[Butrus-Ghali] It is important to determine "the rules of the game" in this post-Cold War period. These rules used to be determined by the two superpowers on the basis of their mutual agreement on a concrete situation. This is no longer the case, and answers to global issues can be found only within the UN. This means that the bases for the solution to the Yugoslav problem can be determined under the UN flag, but we cannot give complete solutions to anybody. The parties to the conflict must agree on a solution themselves; it is up to us to provide them with a framework for their talks and the implementation of the solutions they have reached.

The UN peacekeeping operations are becoming more and more complex—more dangerous, more expensive—and they require adequate answers that can be reached only with the political will of the parties to the conflict. If there is no political will, the UN cannot find a solution, either—as is the case in Yugoslavia.

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On the other hand, the UN is considered to be engaged only in peacekeeping missions, but these issues amount to only 30 percent of all UN activities. More than 70 percent are tasks in the field of special problems or development. There is no development without peace today, and there is no peace without development.

Honestly speaking, my biggest problem today is that I feel very "restricted." When I worked as the deputy foreign minister, my freedom was much greater, both the legal and the real one, "the freedom of moving and deciding." Today, whenever I say something, or take only half a step, no matter in which direction, a thousand questions reach me: "Why have you done it in that way?" In other words, if the political will of the UN member states to do or not to do a certain thing is bigger, and if the UN secretary general and the Security Council, which consists of 15 member states, are more independent, we could do more and be more efficient.

[Vitorovic] Do you mean that the UN member states do not want to realize many things connected to the UN?

[Butrus-Ghali] Exactly. Take for example Angola. Generally speaking, the UN has successfully completed its mandate there. Our mandate was to organize a fair and objective election. This is what we did, too. In the end, however, the parties to the conflict, both the Angolan Government and UNITA [National Union for the Total Independence of Angola], were dissatisfied. We accomplished our task, but we left Angola because the general situation deteriorated. Both parties to the conflict are now asking us to return. As you can see, the political will and the concept of the given mandate are the two biggest problems we are confronted with.

[Vitorovic] Misha Glenny, the famous British expert on the Balkans, stated at the symposium in Vienna that the Central and East European states are far from accepting regional organizations as mediators in their conflicts. Mr. Glenny says that nobody in Yugoslavia seriously accepts the European Union or the CSCE. Only the opinions of the United States and the Russian Government and the UN count.

[Butrus-Ghali] As I said, the role of the UN, as the only organization that can determine the general rules of the game, has to be understood correctly as well as the importance of regional institutions, with which we must closely cooperate and implement the rules of the game in the future.

On the other hand, because parties to conflicts, as this has been the case in Yugoslavia, too, have proved that they cannot find solutions themselves, and the UN has neither the capacity nor the mandate to force them, I accepted the idea of making agreements with regional organizations. This is one of the possible solutions. With NATO, for example, regarding the establishment and the control of the arms embargo. Another problem arises here, though. The member states of regional organizations very often misunderstand agreements about concrete actions as "sanctioning" of the regional organization in question, so there is a danger that mandates and multinational forces are misused to serve the political interests of certain states.

This is a realistic danger. However, our biggest problem today is UN reform and a change from the ethical approach. Completely.

[Vitorovic] The withdrawal of UN forces from Croatia on 31 March 1995 has been discussed very much lately. Will it come to it, and in which direction have most efforts been made regarding the withdrawal of the UN Protection Force [UNPROFOR] from Croatia?

[Butrus-Ghali] If we withdraw by only an inch from Croatia, this will be a real catastrophe. Not only for the UN and Europe. As I said, the decision lies with our member states, and public opinion is in many countries inclined toward the withdrawal of peacekeeping forces. There must be understanding for these countries, too, because a large number of UNPROFOR soldiers, from 37 countries altogether, were either wounded or killed there. People are frustrated.

It is also clear that the UNPROFOR cannot remain with this number of soldiers and with this mandate [in Croatia and Bosnia-Herzegovina]. Despite all efforts, the parties to the conflict are still not ready to sincerely discuss solutions for a permanent peace. Our forces have only light weapons, and they are there in order to keep the peace, not to establish political solutions. This is not understood, and the general atmosphere in the media is sometimes overheated. If our task were to adequately respond at any moment or to establish peace, this would be a different situation. In other words, our mandate has to be clarified. It cannot be required of us now to protect humanitarian convoys at any price, in a situation in which our soldiers are exposed to danger because "they are not entitled to do anything."

[Vitorovic] Many experts here in Vienna have asked the question: "If the UN withdraws from Croatia, how long will it need to leave Bosnia-Herzegovina?"

[Butrus-Ghali] According to the information from our military experts, any UNPROFOR withdrawal is a danger to the forces in Bosnia-Herzegovina. Therefore, we have made plans for three basic options and required NATO to elaborate them. One of the options is the UNPROFOR withdrawal from Croatia only, another is its withdrawal from Bosnia-Herzegovina only, and the third from both Croatia and Bosnia-Herzegovina.

The whole matter is very complicated from the political and technical point of view because it is still one operation—one strategy, one commander, etc. It is difficult to foresee the final price of the withdrawal, which would in any case be much higher than to remain [in Croatia and Bosnia-Herzegovina].

According to initial estimations, we would need five to seven months for the withdrawal. The technical problem is who would withdraw last because he would be in the worst position, etc.

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One thing is constantly forgotten: We have been successful in the Yugoslav crisis. First of all, we sent our forces with the aim of preventing a conflict in Macedonia, and they have been successful. We have found shelter for over 2 million refugees, we have brought food and medicines. We have succeeded in establishing numerous truces. All of these things are the other side of the coin. If we are required to establish peace at any price, this is one thing. If our mandate remains as it is—that is, to keep the peace—this is a different matter.

[Vitorovic] What is the most current problem in connection with the UNPROFOR crisis?

[Butrus-Ghali] We are making efforts now to further exert pressure on all parties to the conflict to accept the simple fact that it is only the UN that can, as a neutral power, find a way toward a permanent and stable solution, and that is why our forces have to stay where they are.

If our mandate is changed, I would accept this, too, under the condition, however, that this brings us one step closer to a solution.

[Vitorovic] In connection with regional organizations and their presence on the territory of the former Yugoslavia, possible German participation within the NATO forces, which would allow the withdrawal of UNPROFOR, is being much discussed. Could this German engagement lead to new conflicts?

[Butrus-Ghali] Our basic orientation is multinational, also regarding regional organizations. If there are historical reasons not to engage a certain country in a crisis, such as Germany in the former Yugoslavia, I shall not send these troops to the former Yugoslavia. I shall send them to Somalia and other places. At the same time, I shall send African soldiers to Europe, and those from Latin America to Asia. Our basic orientation—the multinational—is intensified in this way.

Our second principle is voluntarism. This means that everything has to be approved by the UN Security Council first, and the country is question should agree to sending its troops to a certain area.

[Vitorovic] What will you do if the UN Security Council agrees, for example, that Germany, as a NATO country, participates in the UNPROFOR withdrawal operation?

[Butrus-Ghali] If it comes to such a situation, we shall consider it, and, I would like to repeat, we shall reconsider the national structure of the forces acting under the UN flag. This means that we can use German logistics, their communication techniques, etc.

In any case, everything possible has to be done to enable UNPROFOR to stay where it is because all other options are more expensive and uncertain. We would need an additional 30,000-50,000 soldiers for the withdrawal. One of the problems is that other protagonists are getting ready to take strategic positions in the territory currently under UN control if we leave.

[Box, p 7]

10 Different "Sources" Behind Every Serbian Move

[Vitorovic] What is the biggest problem in the Yugoslav crisis today? Is it Serbia, as many people claim?

[Butrus-Ghali] There are at least 10 different "sources" behind every move the parties to this tragic drama make. Especially in case of Serbia.

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Greek Foreign Minister Begins Official Visit

AU1503065495 Tirana TVSH Television Network in Albanian 1900 GMT 13 Feb 95

[Report by Bujar Muharremi]

[FBIS Translated Text] Greek Foreign Minister Karolos Papoulias began an official visit to our country today.

Albanian Foreign Minister Alfred Serreqi responded to the interest of Greek and Albanian reporters in this visit by stating that we should be objective in our bilateral relations, as they are important not only for our countries but for the entire region as well. There are many issues on the agenda for the talks. I have been, and am still, of the opinion that Albanian-Greek relations should not waver but should be realistic and consistent, he concluded.

At Rinas Airport, Papoulias was received by Serreqi and Selim Belortaja, secretary of state for foreign economic relations, as well as directorate heads and top Foreign Ministry officials. The Albanian and Greek ambassadors, Hysen Cabej and Khristos Tsalikis, were also present.

Official talks between the delegations led by Serreqi and Papoulias started at the foreign ministry this afternoon. Before this, the two ministers had held one-on-one talks without the presence of reporters that had lasted approximately 30 minutes.

When the delegations met, Serreqi pointed out that Papoulias's visit indicated a desire to improve relations and a common responsibility to promote them further. He welcomed Papoulias's personal desire to put an end to the gloomy period of frozen bilateral relations and identify and avoid inhibiting factors.

Papoulias, for his part, stressed that he was expressing the political desire of the Greek Government to improve Albanian-Greek relations. He reiterated that such relations were a pivotal point for relations in the Balkans.

Serreqi talked about the Greek minority in Albania, stressing that the Albanian Government has done much to respect the rights of minorities in accordance with the most advanced European standards. The presence of Albanians in Greece does not represent a hindrance to, but rather an influence on Albanian-Greek understanding.

Regarding education, Foreign Minister Serreqi stressed that education in Greek has been and will be further promoted through private schools, which are expected to be opening.

Regarding guest workers, Serreqi thanked the Greek Government and people and pointed out the contribution that such workers are making to their families, as well as the assistance that they have rendered to Greece. At the same time, he said ways should be found to make their status legal.

Serreqi also mentioned the recent incidents on the Albanian-Greek border—which were treated objectively—and spoke of setting up a commission to define the precise border. He also explained the Albanian state's respect for religious beliefs. He said: We are a secular state and religious beliefs are equally respected; we will work to see to it that religious tolerance, understanding, and harmony continue to be preserved.

Turning to economic issues, Serreqi stressed that Greece was the second most important country in investment and trade with Albania—but he also raised the problem of the property of the Cam population and stressed that several projects from previous meetings had not been implemented. He also raised the possibility of opening new border crossing points and expanding the consular service.

For his part, Papoulias stressed that he is certain Albanian-Greek relations will be moving on to a higher level. He said: For this we are ready and willing. I am happy with what I have heard and believe what has been said about the situation of the Greek minority in Albania.

Papoulias pointed out that there are circles that do not want the development of Albanian-Greek relations and are concerned by their progress. He said: We are determined to take great steps forward. We support Mr. Serreqi's idea on the meeting of relevant commissions.

As for the problem of Cam property, he stressed that our ministries' legal departments should deal with this problem and he also raised the issue of opening three new border crossing points.

Regarding the problem of guest workers, Papoulias suggested opening an affiliate of a Greek bank in Tirana, which would enable them to transfer their deposits from Greece to Tirana. He also said he agrees with Serreqi on the abolition of double taxation.

After the meeting, Serreqi and Papoulias made statements for reporters.

[Begin Serreqi recording] This was an open exchange of all the problems related to Albanian-Greek relations following a long, frozen, difficult period. The Greek delegation has come to Albania with the political goodwill to resume the dialogue that was suspended—you know on what matter—and to improve relations between the two countries, convinced that these relations are in the bests interests of Greece, the region, and beyond.

I hope the talks have been positive and have given the impression that, although several problems still remain, there exists the goodwill to discuss these problems with a desire to solve them, following the decision to reorganize and reactivate the joint Albanian-Greek commission to reconsider the entire course of Albanian-Greek relations. Thus, I have a positive hope for the further development of relations. [end recording]

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[Muharremi] Mr. Papoulias, what problems did you raise on behalf of the Greek delegation at the talks with your counterpart, Serreqi?

[Begin Papoulias recording in Greek with superimposed Albanian translation] [Words indistinct] in the meetings with Serreqi after some months, I hope that a friendly and fruitful climate has reigned. This is a positive result of our meeting. A great political will for cooperation was expressed, not only to the benefit of our peoples but also of the region. We have discussed a highly expanded form of cooperation in all fields with very good prospects. We have organized and revitalized the commissions that, unfortunately, had not been working [words indistinct] and I hope that the results will be very positive for both sides. I have invited my dear counterpart and colleague, Mr. Serreqi, to visit Athens and for the two foreign ministries to hold consultations at all levels, not only of the [words indistinct] but also at a level.... [end recording]

Meets With Meksi

LD1403205495 Tirana Radio Tirana in English 1900 GMT 14 Mar 95

[FBIS Transcribed Text] The Albanian Premier Aleksandr Meksi and Greek Foreign Minister Karolos Papoulias expressed the will of governments of both countries for the increase and strengthening of bilateral relations during a visit that the Greek Foreign Minister Karolos Papoulias is paying in Albania. Premier Meksi said that it is the duty of our governments to contribute to the strengthening of bilateral relations and friendship between our two old peoples. The road of history that connects our two neighboring countries also strengthens the cooperation on a larger scale of joint interests.

Meksi expressed the readiness of Albania to go forward in the European world, estimating that in this aspect Greece support may be greater. Premier Meksi said that great construction world, facilities into visas process and opening of points of communication, protection of borders, legalization of Albanians working in Greece, are the areas and problems the governments of both countries have to solve. He said they ought to make use of the linking bridges, that is Greek minority in Albania and the Albanian (?Ananitas) in Greece and solving of some problems.

Mr. Meksi underlined that it is very important the functioning of Albanian-Greek commission which is to start some work as soon as possible. Greek foreign minister on his side expressed the goodwill of his government toward the increase of bilateral cooperation and the readiness to contribute that within a very short time the joint commission discuss and give a solution to problems in order to help development of Albanian-Greek relations.

The Greek Government, Mr Papoulias said, trusts that all possibilities exist to go forward and not to turn back. We are ready, he said, to assist Albania into EU, for finance Eastern Europe, for trade and legalization of Albanians working in Greece, facilitate visa process, and cooperate in the defense field.

Discusses Ties With Serreqi

LD1403214395 Tirana Radio Tirana in English 1900 GMT 14 Mar 95

[FBIS Transcribed Excerpt] Albania and Greece expressed yesterday their will to overcome the difficult period of relations between both countries, aggravated especially after April of last year when a Greek commando killed two Albanian soldiers after attacking an Albanian military unit. Foreign ministers of both countries Serreqi and Papoulias, who met in Tirana, said that all possibilities exist to overcome the difficult period of relations between both countries. Minister Serreqi considered the visit as a testimony of the political will to improve relations and responsibilities coming from such relations of reciprocal interests. The Albanian minister spoke about the special chapter to be opened for progressive improvement of such relations. I am optimistic that the realistic (?path) and the objective evaluation will characterize our negotiations to avoid those factors that are barriers and encourage those circumstances that are fundamental and influence Albanian-Greek friendly relations, [he said]. On his side, Mr. Papoulias said that Albanian-Greek relations are very important. [passage omitted]

The Albanian-Greek relations Greek foreign minister considered as the referring point for peace and stability in the region. Then the talks continued without the presence of journalists. According to the spokesman of the Albanian Foreign Ministry, Minister Serreqi pointed out that Albanian Government is completely committed to respect rights of Greek minority according to European standards. The existence of Greek minority in Albania and Albanians in Greece serves to understanding between those countries. Education in Greek language, said Serreqi mentioning the law on private schools, will better solve this problem. The Albanian minister thanked the Greek Government and the people for the aid given to the Albanian emigrants who with their work have contributed to the well-being of their families and to Greece itself. He asked for the finding out of ways helping their legalization. Speaking about the position of the Albanian state to religious beliefs, he said they are guaranteed by law and are equally respected. Religious tolerance has existed and exists in Albania, (?which is a grace to ritual effect which we will always preserve), said the Albanian Foreign Minister. [sentence as heard] [passage omitted]

Concerning some properties, Papoulias said the legal sectors of our ministries are dealing with the above problems. He expressed the readiness of Greek Government for the extension of economic relations, pointing out that Greece as a member country of EU must contribute more. Greek minister supported the idea of

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the Albanian Foreign Minister on the opening of other border points. [passage omitted]

Speaking about Albanian refugees in Greece, he said they have deposits in the Greek banks and in this aspect Greek foreign minister forwarded the possibility on the opening of the branch of Greek national Bank in Albania.

Greek Reporting on Visit

NC1503072095 Athens Elliniki Radhiofonia Radio Network in Greek 1800 GMT 14 Mar 95

[FBIS Translated Text] A climate of friendship and cooperation prevailed in Tirana during Foreign Minister Karolos Papoulias' meetings with Albanian President Sali Berisha and other officials. Mr. Papoulias described his meeting with President Berisha as very important and substantive as well as encouraging for the future of bilateral relations. Berisha pointed out that there is a joint decision to chart a friendship agreement between the two countries. Papoulias also met with the Presidium of Omonoia [Greek minority organization]. Mirella Kalostipi, our special correspondent in Tirana, has the following details:

[Begin recording] The talks between Greek Foreign Minister Karolos Papoulias and Albanian Foreign Minister Alfred Serreqi were held in a good climate with the clear desire on both sides for progress in bilateral relations in all sectors, with an emphasis on economic cooperation. Mr. Papoulias and Mr. Serreqi discussed all issues, even the thornier ones, in a manner that opens the way to gradually solving them.

The Albanian foreign minister appeared ready to contribute toward the promotion and respect of Greek minority rights. Serreqi told Papoulias that the new legislation on educational issues will include a clause stipulating the operation of private schools throughout the country at which the Greek language can be taught. Assurances were also given that Archbishop Anastasios will again be given free entry and exit from Albania, while, as Mr. Serreqi noted, the religious and worship rights of the Orthodox are and will remain respected.

The Albanian side placed particular weight on economic and trade cooperation with Greece. At the same time, however, it asked that a way be found to legalize the status of the Albanians who live and work illegally in our country, but no questions were raised about the Albanian minority in Greece.

Referring to the activity of Greek businessmen in Albania, Papoulias asked that they be granted a multiple-entry visa so that they do not face problems in monitoring their business. It was also agreed that avoidance of double taxation and the widening of border passages would give impetus to trade exchanges.

Concerning the efforts to modernize the Albanian banking system, the Greek side reiterated the proposal that a branch of the National Bank operate in Tirana, since, in addition to the remittances of the Albanians working in Greece, there are also deposits by Albanians in Greece. It is worth noting at this point that our country is second, after Italy, as regards investments in Albania.

The Albanian side raised again the Cams issue within a clearly theoretical framework. The matter will be referred to the legal department of the Greek foreign ministry, given the Greek position that such an issue does not exist.

Lastly, there were no substantial differences on the intention to demarcate borders, and the issue will be referred, for solution, to a subcommittee of military cooperation. The Greek side reiterated that the Greek-Albanian borders are recognized on the basis of the Helsinki Final Act but it does not object to restoring the existing border markers.

The incident at Peshkepi [Albanian military recruit camp in April 1994] was also discussed during the Papoulias-Serreqi talks. As is known, that incident was the cause of the freezing zing of Greek-Albanian relations and dialogue. The Albanian foreign minister expressed satisfaction that the Greek Government always separates its position from those who, as he put it, do not desire the improvement of bilateral relations—and promised that the efforts to trace those responsible will continue.

The competent mixed committees will be formed to deal with all these issues except for the matter of the free movement of Archbishop Anastasios from and to Albania, which will be settled immediately, as will the Greek minority human rights issue. However, the statements made by Messrs. Papoulias and Serreqi after their private meeting, which preceded the work of the two delegations, indicate that the ice is beginning to melt. Serreqi said he does not expect quick progress in the bilateral issues but that he is optimistic about constant improvement. Papoulias agreed that an identical desire on the part of both sides exists in this direction.

The good climate that was formulated at the Papoulias-Serreqi talks was completely confirmed at Papoulias' meetings with both Albanian Prime Minister Aleksander Meksi and Albanian President Sali Berisha. Papoulias' meeting with Berisha was extremely warm. Berisha expressed full satisfaction at the mutual determination to solve problems through dialogue and stressed that the two peoples deserve for the two countries' cooperation to begin with the aim of achieving a treaty of friendship and cooperation. Berisha thanked the Greek foreign minister for the help Greece offers to the economic refugees [Albanians working in Greece]—a question on which Mr. Papoulias' assessment is that their legalization is expedient as far as the Greek economy can sustain.

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Papoulias described his meeting with Berisha as important and substantive, as well as extremely encouraging for the course of bilateral relations. He said that the messages from all the talks he had here in Tirana are extremely hopeful. Papoulias stressed: What remains now is to roll up our sleeves and start work, because there is no more time to be wasted. Papoulias also gave the assurance that all the committees will be formed and be operative as soon as possible in order to promote the solution of problems, while all indications are that there is determination by the governments of the two countries to disappoint, from now on, circles that object to Greek-Albanian friendship. [end recording]

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Extract of Prime Minister's Copenhagen Speech

AU1403183395 Prague DENNI TELEGRAF in Czech 11 Mar 95 p 3

["Extract" of speech by Czech Prime Minister Vaclav Klaus at the World Summit on Social Development in Copenhagen on 11 March: "We Do Not Underestimate Social Issues in Policy"]

[FBIS Translated Text] The world summit on social development is a very important meeting involving politicians from all over the world, a meeting at which topical and urgent global issues should be formulated and discussed, and appropriate measures, both domestic and foreign, should be proposed and recommended to combat these problems. I can assure you that the Czech Republic is ready to play an active role in all of this.

We are aware of the magnitude and complexity of the social issue in many parts of the world, and, although our country is one of the more developed ones where social issues have a different dimension and a different degree of confliction than in developing countries, we do not underestimate it either at home or elsewhere in the world.

The Czech Republic has gone through a radical, profound, and far-reaching transformation in the past five years from a communist totalitarian and incredibly ineffective system to a free society and market economy. Our transformation maneuver has been successful. We have already entered into the posttransformation stage, which means that we have already implemented the main transformation measures and have embarked on a period of "normal development." The time is approaching when it will be possible to generalize the main lessons from both the communist era and the ensuing transformation era. This will be done in the social sphere. The conclusions are simple but not at all trivial.

1. The social dimension of our lives is not autonomous. It is the resultant of thousands of factors. Better social results require changes in aspects of society other than social ones. There is no measure, medium-term or long-term, that could be called "social." It is necessary to begin elsewhere to improve the social sphere.

2. In every society there is a mutually conditional combination of political, cultural, social, and economic factors. We can confirm that a strong complementarity prevails between them. With the exception of short-term effects, we cannot exchange one for the other. A high degree of harmony and symmetry between them is quite necessary—although it is not identical for all the countries of the world.

3. The fashionable ideologies of the 1950's and 1960's, containing the key role of the state, state ownership, planning, international development institutions, and development aid, are behind us. The old utopian dreams about social engineering have been forgotten, and it is generally accepted more and more that everything starts with the individual, his abilities and activities, a functioning market, private ownership, and private initiative. The collapse of communism was the last straw for the former etatist way of thinking.

4. Improving human lives requires political and economic freedom, which, unfortunately, does not exist everywhere and cannot be "introduced" and guaranteed without radical systemic changes in an large part of the world. I know that I am not suggesting anything new, that I am talking about elementary principles, about things that seem to be accepted more and more in recent years. The real issue is how to get from one situation to another, how to change the existing order of things, how to achieve the vital breakthrough and how to choose a transformation strategy.

I do not want to give any advice because our recent experience tells us that advice from outside is mostly too simplified and insensitive to domestic specific features. Despite this, it is obvious that the development strategy must be multidimensional and flexible, must not strive for the optimum arrangement of the transformation steps, must be credible, and must be based on national consensus. This is far more important than the technical details of this or that measure or their arrangement.

The development task is primarily a domestic task, and the role of external aid is just a marginal one. With the exception of humanitarian aid, where human lives are at risk, the developed world can help most by:

—eradicating all forms of protectionism and sticking to the law of comparative advantages so that trade and investment are organized between countries and not striving for a "new world order" founded on aprioristic constructions;

—ceasing to export ideology and life-styles (except the defense of basic human rights), which are often so alien in developing countries;

—ceasing to block trade between advanced and developing countries based on false accusations of the social or ecological dumping type.

I do not want to give advice to countries with serious social problems; I know very well that we should not add new problems from the outside. This is the best thing we can do.

Havel Comments on Human Rights, Political Behavior

LD1403174995 Prague Radiozurnal Radio Network in Czech 1400 GMT 14 Mar 95

[Speech by President Vaclav Havel to the Czech parliament in Prague—live]

[FBIS Translated Excerpt] [Passage omitted] There is no country in the world about which we can say that it is impossible that it will not violate human rights, and this

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cannot be said about the Czech Republic, either. I think this is one of the areas on which we should concentrate today. Human rights should again become and continue forever to be a hot political issue. This means that all politicians should care for them and reflect this care in their political behavior. If this care disappears from our political life, it will have a bad influence on the climate of our public life, and society as such—the most important subject—will become indifferent to this issue, and, earlier or later, this will be reflected in the work of the civil service, of justice, and later it could be reflected in the making of law itself. We should therefore not reject nervously any criticism out of hand, but, on the contrary, we should listen to it seriously and without prejudice. If we find it justifiable, we should immediately seek a way to put it right. [passage omitted]

There should be an institution that will comprehensively monitor the situation in this area and, in a timely manner, will bring the attention of various authorities, including parliament, to areas of possible violation of human rights and provide these institutions with suggestions and proposals. It will also investigate specific complaints from citizens. [passage omitted]

Therefore, I ask you to consider again the setting up of the office of ombudsman or another institution that will fulfill this role. We are all aware that, unfortunately, we still see in our country displays of racism, anti-Semitism, bureaucratic attitudes toward citizens, antisocial behavior, harassment, bullying, and other bad things, the common denominator of which is contempt for human rights. To accept this and hope that the situation will sort itself out would be an unforgivable failure of our policy. [passage omitted]

I am not an opponent of political parties as it is sometimes claimed I am. I only think the parties should play only the role for which they are authorized.

I am against something different. I oppose the nontransparent and excessive intertwining of parties and the civil service, or of parties and economic life or public life as such.

The state is one structure and a political system is another, only a supportive one, which makes it possible for the political leadership of the state to be in the hands of people representing the views of the electorater.

I see danger in every attempt to put parties above the state or to understand the state as the simple prey of a party struggle for power, and I do not know why blind loyalty to the leadership of a certain party or a greedy leaning toward this party should generally or automatically give anybody an advantage over others.

I do not claim that this is happening in our country: I only warn that it might happen. There are many examples from the past or from current times that show where excessive influence of a party over public life can lead.

The issue of financing political parties has been discussed a great deal lately. I am asking you to consider whether a special fund should be legally set up, something like a fund for good political behavior, through which parties will obtain a contribution from the state budget and also gifts from sponsors specifically for this or that party. Such a system would guarantee general transparency of the sources of party funds and could also become a professional instrument for verifying their credibility, which would relieve the parties of the need to fulfill roles for which they are not authorized.

In concluding this part of my speech, allow me to voice one of my serious concerns: I feel that in our political life something has started to grow which politics finds difficult to avoid but which should be kept, in the general interest, within appropriate limits: I have in mind the struggle for personal or party prestige, the fight for publicity, mutual rivalry and jealousy and an a priori lack of willingness to accept somebody else's idea only because he was the first to utter it, the lack of gentlemanly cooperation. I am not speaking here only about poor relations within the government coalition but also about mutual relations between the coalition and opposition. It is perfectly all right for various politicians and parties to have different views on various issues. It is, however, not all right if they differ only to be different from each other. [passage omitted]

The Czech Republic is threatened neither by serious internal problems nor by any immediate outside danger. Every time I am reminded of this position of our country and of our opportunities, I wonder just why it is that in our political life there is so much nervousness and vindictiveness, such a lack of tolerance and incessant rivalry for prestige and spheres of influence, why there is all the mutual mistrust and new tendencies toward excessive reliance on the various ideologies.

The euphoria of the revolution or of the postrevolution period will not and cannot return. Both nostalgic pining for it and grumbling about the current situation is futile. Something else is needed—to strive for a political system imbued with a real sense of the values we want to follow, to have the will to understand each other, to maintain good spirits.

All of us who so suddenly found ourselves in the political arena perhaps still underestimate the importance of the influence that our behavior has on the general atmosphere in our country. If we talk all the time only about money, people will be interested only in money. If we demonstrate indifference to our laws, society will be indifferent also. If we are happy to break our promises, we contribute to others breaking their promises, too. If we tolerate a situation when the various affairs, both big and small, are never properly explained but are closed and no conclusions are drawn, we contribute to the general spread of apathy. If we are not kind and considerate to each other and if we are not prepared to listen to each other, we can hardly expect public life in general to have these qualities.

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Yes, politicians are here to implement the democratically expressed will of the citizens and not to force anything upon them. But I do doubt that the majority of citizens voted for petty squabbling.

We are entering a new stage in which we will have to create clearer principles of our new statehood and more precisely redefine its chief premises and our long-term goals. This must be done in an unhurried, calm, businesslike, and gradual manner. I believe that all of this will be taking place in a better political atmosphere, and I cannot imagine how, without these qualities, we could deal with our future tasks properly. [passage omitted]

Prime Minister on Trade Unions, Security Service

LD1403204795 Prague Radiozurnal Radio Network in Czech 1700 GMT 14 Mar 95

[Weekly interview with Prime Minister Vaclav Klaus by reporter Miroslav Konvalina; place and date not given—recorded]

[FBIS Translated Excerpt] [Konvalina] Prime minister, trade unions are not becoming significantly stronger in our country, but they are able to attract attention and in this way win respect. The latest example is the planned meeting at the Old Town Square. Has an agreement been reached lately between you and the chairman of the Czech-Moravian Chamber of Trade Unions on calling off the trade union meeting that Mr. Falbr violated, or was there no agreement about this?

[Klaus] No agreement was violated. I could never blame Mr. Falbr for that. I know that Mr. Falbr is not an individual person who speaks only for himself. He speaks, undoubtedly, on behalf of the leadership of our trade unions. At our talks, he seemed to favor the idea I suggested, of meeting halfway, of exchanging something for something—that is, to exchange the opening of the talks between the government and the trade unions for calling off the trade unions' demonstration on 25 March. It looks as though at the session of the trade unions' chamber presidium yesterday this was not favored by the others and therefore not adopted.

The idea that we can now agree to take a unilateral step—to start the talks and, at the same time, listen to the cries from the Old Town Square—nobody can want that from us.

[Konvalina] It means that we are now where we were before your meeting with Mr. Falbr in Copenhagen.

[Klaus] Yes, certainly, we are, and, naturally, this is a pity for this country. However, it is not something that was caused by us—on the contrary.

[Konvalina] Another evergreen topic in our interviews is the Security Information Service [BIS]. On 15 March, you are planning to see the parliamentary commission supervising BIS. This commission does not act very convincingly. Now it is to account for its work. What are your expectations?

[Klaus] I am not planning to go to see this commission. I am planning to attend the plenary session of parliament. My expectations are the same as what I have been saying repeatedly: I feel and I think that the overwhelming majority of our citizens also feel that the issue has been blown up unilaterally into a drama, without any serious arguments and proofs. [passage omitted]

In the hysteria surrounding this issue, a major role is played by a political card that is being continuously pulled out of a sleeve, so to speak. This is a terrible pity.

A ministerial meeting was held yesterday—with one-half of the government ministers present—to discuss the documents on redefining the position of the Council and its personnel composition. I think that we set ourselves clear-cut tasks. As soon as possible, I will present version number-two of these documents, which will reflect my comments at the session. I do not feel that the parliamentary debate tomorrow can bring anything new to this issue. This will be more of a political show.

[Konvalina] Will you also comment on the fact that classified information from the secret services becomes public knowledge and, on the other hand, that the BIS staff, which is duty-bound to remain silent, is unable to speak to the commission, which is preventing the conduct of the investigation into the work of the commission?

[Klaus] The penetration of classified information into public life is part of our post-November development and is partly a natural reaction to communism, when everything was very secret and nothing could be revealed. [passage omitted]

However, we have gone too far in the opposite direction. Everybody now feels that anything that will not destroy the world or this country is not a secret. On the other hand, not everything should become a public issue. Some institutions would not be able to exist at all if this were the case.

[Konvalina] The press claims that Finance Minister Ivan Kocarnik is prepared to propose to the government the abolition of the payments agreement with Slovakia. What is making the government consider this?

[Klaus] Not the government. We can only ask, at most, what makes the finance minister consider this. The government has really not discussed this. [passage omitted] The issue of payments agreements is undoubtedly something that is beyond relations between two ministers. It is an issue to be settled by the governments and their prime ministers. Obviously, it is true that the issue of the payments agreement will be part of my talks with Mr. Meciar. The speculations in the press that we will do something unilaterally by 1 April are false.

[Konvalina] Thank you.

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Moravian Movement Holds First Congress

AU1503094895 Prague LIDOVE NOVINY in Czech 13 Mar 95 p 3

[Article by "(fsch)": "The Moravian Movement Has Had Its First Congress"]

[FBIS Translated Text] Brno—The first regular congress of the Movement for Self-Governing Moravia and Silesia (HSMS), held in Brno on 11 March, approved the movement's new articles, which, compared with the former ones, are in harmony with Czech law and its basic policy line. Eighty delegates representing 35 basic organizations from 10 Moravian and Silesian districts reelected Jan Smejkal, a member of the City of Brno Council, chairman.

The movement regards itself as a selective one and, according to Smejkal, wants "a decent policy with decentpeople." The HSMS will apply moral attitudes and screening law criteria in accepting new members. Its aim is a land arrangement for the Czech Republic. However, compared with the Moravian National Party, the HSMS rejects nationalism and dualism. Prague, and conceivably Silesia, should be constituted as lands along with Bohemia and Moravia.

The HSMS was established last June, when it split from Krycer's Movement for Self-Governing Democracy of Moravia and Silesia, now part of the CMUS [Bohemian-Moravian Center Party]. The HSMS won 69 mandates in the local elections, especially in the Brno municipal districts and the Blansko District. The HSMS wants to take part in the 1996 parliamentary elections independently.

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Schenk on Foreign Policy Goals, Hungarian Talks

LD1403151295 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 14 Mar 95

[Interview with Foreign Minister Juraj Schenk by editor Jarmila Tosecka in Bratislava following the government's morning meeting—live]

[FBIS Translated Excerpt] [Tosecka] I welcome Foreign Minister Juraj Schenk here at the microphone. Good morning and welcome.

[Schenk] Good morning. [passage omitted]

[Tosecka] [Passage omitted] Could you briefly assess how we have coped with our foreign policy tasks and outline the imminent goals of our foreign policy?

[Schenk] [Passage omitted] Let me point out a few things that we and the previous government have managed to achieve. I shall then outline some of our priorities.

In principle, we have stated that the greatest positive achievements in our 1994 foreign policy were these:

First, the fact that we have succeeded in completing the process of agreement ratification on Slovakia's association membership in the European Union. This success was achieved in all 12 of the then-member states of the union.

Drafting the memorandum on joining the OECD is considered yet another success. Our participation in preparing the Stability Pact was highly commended both at home and abroad. Our initiative and activities concerning the Partnership for Peace plan are also very important. Our participation in the work of the Conference on Security and Cooperation in Europe is also very positively assessed.

To sum up, let me quote one very interesting figure: As many as 73 bilateral governmental and presidential agreements have been signed recently. The problems rest in the fact that we did not manage to be sufficiently active in pursuing some of these agreements.

With regard to other positive achievements of Slovak foreign policy, we have to mention our participation in peacekeeping activities as well as some activities in the sphere of human rights—for example, the activity of the Office of the UN High Commissioner for Refugees, the UN Center for Human Rights, and the Documentation Center of the Council of Europe here in Bratislava. [passage omitted]

With regard to the concept of our foreign policy for 1995, I would like to stress that it is based on the ideas anchored in the government manifesto. Having in mind not only the 1995 period but the whole period in office, we have tried to express these ideas in a basic schema with five essential principles:

The first principle is continuity in our foreign policy, the second is European integration, the third is security, the fourth is cooperation, and the fifth is national and state identity.

Following these five principles, we then plan our particular activities for 1995 on either a bilateral or multilateral level. [passage omitted]

[Tosecka] [Passage omitted] Could you add anything with regard to the Slovak-Hungarian basic treaty before the important meeting that is to take place tonight?

[Schenk] Well, I can only add that Slovakia is interested in signing the basic treaty and in signing a treaty that will follow the principles agreed to during the Budapest meeting of Prime Ministers Meciar and Horn. Of course, for our part, all this is possible only if this does not go above the upper limit of our elementary state interests.

[Tosecka] Is it possible then for our side to consider the inclusion of Council of Europe Recommendation No. 1201 into this treaty?

[Schenk] We have already said several times that several principles are not acceptable to Slovakia—first the principle of collective rights, second the principle of territorial autonomy, and also some other outstanding issues. These cannot be included in the treaty, among other reasons because they contradict the currently valid European standard.

Meciar Explains New Anticorruption Program

AU1403145495 Bratislava NARODNA OBRODA in Slovak 9 Mar 95 p 12

["Transcript" of Slovak Radio interview with Prime Minister Vladimir Meciar on 7 March, carried in the "Monitor" column; place of interview not given: "Vladimir Meciar—The Government Will Support the 'Clean Hands' Program"]

[FBIS Translated Text] [Tosecka] Mr. Prime Minister, in an interview for PRAVDA (in May 1993), you said, among other things: "We are considering the possibility of taking—from the position of the government—several clean-hand type steps to achieve clean hands in political, social, and economic life. If we do not manage to do it now, this dirty social system will control us. It is more dangerous for the government than all of the opposition parties together." Almost two years later and your having spent more than six months in opposition, the draft of a complex "Clean Hands" program is here. How do you imagine the next steps, both from the practical and the timing point of view, and, especially, what will the implementation of Clean Hands mean, what will it do, J. Tosecka asked Prime Minister Vladimir Meciar on the "Afternoon With the Radio" program on 7 March..

[Meciar] In every society, except for the society of whites—which means those who conduct business legally—there is gray money and black money. If the

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amount of such money grows, it begins to look for people and institutions to serve it and protect it. It is bad if the protection of this money merges with the institution of political parties or parliament because this results in deformed political power. The power of the people is replaced by the power of money, or people abusing the state apparatus to protect this black money. Therefore, I understand the Clean Hands program as a very topical political program to protect society against all forms of deformation arising from corruption, bribery, and the protection of black economic interests. Regarding implementation of the program, the government has not yet approved it as a whole. At this time only a working draft exists, but my words of 1993 have come true because as soon as we encountered these questionable levels of money in 21 institution in 1993, a storm of unrest was released against the government in both the political parties and parliament. You may still recall what I said on television when I spoke about some people associated with these institutions. I can only hope that the parliamentary investigation commission will tell us something about these facts. If this is to be a citizens' state, the will of the citizen, the right of the citizen must be the same regardless of the property census. There must be the certainty that people in official positions consider the interests of the state rather than some bonus to their salaries, no matter how fat the bonus might be. This is necessary for the preservation of the character of democracy, something everyone speaks about but frequently uses the word "democracy" only to cover other interests. If fundamental principles are to be maintained, we must engage in this struggle within society. It is worthwhile. Here, we have great support, particularly in the Association of Workers of Slovakia and from many people in the Slovak National Party. This program, as you observe, is often accepted with embarrassment. Why? He who cares about cleanliness of relations and transparency also cares about the stability of the state. One can equate the one thing with the other, and therefore the government will support this program.

Comment: Jurisdiction Law Expands Meciar's Powers

AU1503095195 Bratislava SME in Slovak 13 Mar 95 p 4

[Commentary by Peter Toth: "The Prime Minister's Power Is Growing"]

[FBIS Translated Text] The passage of the amendment to the law on the organization of ministries and other central bodies of state administration (so-called jurisdiction law) [on 10 March], along with the amendment to the law on the Slovak Information Service [on 6 March], have led to the centralization of state power and have shifted the original constitutional situation, without amending the Constitution, a few millimeters in favor of the present governing team.

The prime minister's powers have been reinforced. With the exception of ministers, the prosecutor general, judges of the Constitutional Court, generals, and professors, the prime minister now appoints perhaps all of the office holders one can think of. The safeguard that was represented in this regard by the president of the Republic has been eliminated. The president's constitutional powers have thus been curtailed by means of an ordinary law. The new jurisdiction law also expands the powers of the Government Office, the seat of the prime minister and the deputy prime ministers: In the sphere of control, the Government Office can now become involved almost anywhere (including self-administration bodies) and be a "competitor" to the Supreme Inspection Office. With today's prime minister, it is not difficult to imagine that inspections at individual ministries will provide Vladimir Meciar with the arguments he lacked when getting rid of [former Privatization Minister] Dolgos and [former Foreign Minister] Knazko. And, finally, the Government Office can, with the Finance Ministry's consent, set up "from its own budget or by other means" an "entity other than a budget-funded or subsidized organization." This means that it can start running a business, such as a shareholding company, whose proceeds will flow to where only the Government Office knows. We only know it will be set up using our taxes.... In this case, the jurisdiction law does not say anything about control; the inconsistency with which the Government Office gave up the right to control itself is startling. The pinnacle of the jurisdiction law is the new definition of the status of a state secretary: "At the time of the minister's absence, the state secretary stands in for the minister to the extent of the minister's rights and duties." This formulation does not make it clear whether the state secretary can even vote at government meetings in the minister's absence. At any rate, the formulation is ambiguous and, in case of "need," could be misused to allow the state secretary to vote at Cabinet meetings. In this way, the prime minister could get rid of all (inconvenient) government ministers and rule with only state secretaries, who are appointed and dismissed by the government [rather than by the president] and, under the Constitution, are not accountable to parliament.

I would not like to interfere with the president's powers, but, under the Constitution, he still has the right to assume a stand on laws passed by parliament by means of his signature. This applies also to the jurisdiction law....

Minister Discusses New Law on Foreigners' Stays

AU1503101395 Bratislava NARODNA OBRODA in Slovak 10 Mar 95 p 2

[Interview with Slovak Interior Minister Ludovit Hudek by Ivan Samel; place and date not given: "Parliament Adopted a Harsher Law on the Stay of Foreigners in Slovakia"]

[FBIS Translated Text] Bratislava (NARODNA OBRODA)—The deputies of the National Council of the Slovak Republic adopted a new law on the stay of

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foreigners on the territory of the Slovak Republic. We asked Interior Minister Ludovit Hudek about certain aspects of the law.

[Samel] Why did the need arise to adopt a new law in the sphere of the regulation of foreigners' stay on the territory of the Slovak Republic?

[Hudek] A dynamic growth in the migration of foreigners was brought about by the far-reaching political and economic changes in Central and East Europe, and this resulted in the adoption of the necessary legislative changes, the stricter asylum policies in Germany and Austria, for instance, and also in the Republic of Hungary. The present legal measures, adopted in 1992 for the needs of the CSFR, did not facilitate the formation of an adequate obstacle to the wave of immigration. It could have been dealt with by means of an amendment, but, because the problems had to be dealt with in their full complexity, the work began on a new law, and the result of this work is the adoption of the law on stay of foreigners on the territory of the Slovak Republic.

[Samel] How does the new law differ from the current federal law?

[Hudek] First, it does not allow for the possibility of applying for a residence permit on the territory of the Slovak Republic a priori. This will prevent, above all, the abuse of short-term stays to legalize economic migration. Like other states, the system has been established of ensuring that there are sufficient economic resources to finance the foreigner's stay in Slovakia and his return to his home country. Another innovation is the modification of the conditions for the entry and stay of foreigners for the purpose of employment in Slovakia. They can accept a job only if they have the appropriate visa issued by a Slovak representative mission abroad. This does not apply, however, to foreigners with landed immigrant status, who are not required to have a work permit.

[Samel] A comment was heard in the debate asking that a special law be adopted to deal not only with the stay of foreign compatriots in Slovakia but also with the stay here of Czech citizens. Deputies refused this, arguing that this provision would have to be dealt with on the foreign political level first and with a certain degree of reciprocity. What do you think of this argument?

[Hudek] It is certainly an interesting issue. The problem of compatriots abroad has been dealt with by the current laws, in this law on the stay of foreigners, or in the laws on refugees that are currently in effect. The entire issue of compatriots and Czech Republic citizens should be dealt with at the next stage, and there should be cooperation between the Foreign Ministry, the Culture Ministry, and the Interior Ministry. It will undoubtedly be a difficult task because, especially with the compatriots, the very term "compatriot" will have to be defined—how to decide on it and how to prove it.

[Samel] What time span is necessary for the preparation of such a law?

[Hudek] According to the schedule of legislative modification for our ministry within the framework of the government legislative plan, it should be prepared within this year.

[Samel] One of the most discussed areas was the issue of rejoining families. In what way is the new law "harsher" than the old one?

[Hudek] The new law is based on all agreements and treaties drafted by the United Nations. The new law also deals with marriages of convenience, particularly those contracted in eastern Slovakia. Hence, according to this law, if the reason for the stay no longer exists and it is proved that the marriage is deceptive, in that it has been concluded for the purpose of staying on Slovak territory, this foreigner can be expelled.

[Samel] Can a married foreigner be expelled for other reasons—if he commits a crime, for instance?

[Hudek] No.

[Samel] Article 18 of the government bill, which required that foreigners' places of residence be reported to the police, was deleted. How do you feel about it?

[Hudek] Article 18 was very controversial, and I am glad it stirred the deputies in both the committees and the plenum into action. We have achieved what we expected to achieve.

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Horn Accepts Resignations of Two Ministers

LD1403181795 Budapest Kossuth Radio Network in Hungarian 1700 GMT 14 Mar 95

[Passages within quotation marks recorded]

[FBIS Translated Text] The new finance minister's program is antisocial and impossible to implement, the resigning Minister of Welfare Pal Kovacs has stated. Meanwhile, the prime minister has accepted the resignation of two government members. Ernoe Kardos reports.

[Kardos] Pal Kovacs, who resigned as minister of welfare, has said that in his view the Bokros program is antisocial, and it is impossible to implement. He cannot undertake responsibility for it and he will not vote for it as a parliamentary deputy either. Listen to Kovacs, while still in office.

[Kovacs] "Tax allowances for families have ceased to exist; the social insurance contribution has been taxable since January 1995; there is the inflationary effect of the forint devaluation—more precisely: devaluations; there is a proposal now that would convert the family allowance into a kind of, aid, so to speak; childcare allowance, and childcare support, will not become a civic right—these are the factors that have forced me to leave."

[Kardos] The resigning minister of welfare also said that the ministry had prepared austerity programs for both the social services and health care, but the government rejected them.

[Kovacs] "Instead, the government accepted the Finance Ministry's social plans—which are not realizable, in my view."

[Kardos] Incidentally, Gyula Horn has accepted the ministers' resignation. Listen to Gyula Horn.

[Horn] "There was nothing else I could do. There are no personal conflicts between us..."

[Kardos, interrupting] "Are there any new candidates?"

[Horn] "There are new candidates, but talks continue."

[Kardos] "For how long will they continue?"

[Horn] "Well, I hope that we can put an end to it in a relatively short period."

Security Minister Resigns Over Antisocial Policy

LD1403215295 Budapest MTV Television Network in Hungarian 1830 GMT 14 Mar 95

[From the "Newsreel" program]

[FBIS Translated Text] [Announcer] Bela Katona, minister supervising the civilian secret services, told Newsreel that at the present phase of matters he did not wish to speak [about his resignation]. However, Minister of Welfare Pal Kovacs met his fellow minister this morning and Bela Katona told him that he does not wish to work in the government any more because of the government's antisocial measures.

[Begin Kovacs recording] Bela Katona did not resign for national security reasons. Bela Katona resigned because of the same antisocial package that led to my resignation. [end recording]

Culture Ministry Official Resigns Over Measures

LD1403214895 Budapest Kossuth Radio Network in Hungarian 2000 GMT 14 Mar 95

[FBIS Translated Text] Another member of the government has resigned because of the government's economic package plan. The deputy state secretary at the Culture and Education Ministry, Janos Csirik, has until now been responsible for higher education. The outgoing deputy state secretary stressed that he disagrees in particular with the method of the decisionmaking, since only two months ago the government was in favor of introducing higher education fees next year, whereas it has now brought forward by one year this measure, which represents a further financial burden.

Interior Minister Comments on Economic Measures

LD1503103895 Budapest MTV Television Network in Hungarian 0600 GMT 15 Mar 95

[Passages within quotation marks recorded]

[FBIS Translated Text] According to Gabor Kuncze, deputy prime minister and minister of interior, if people consider something to be bad, then it is their legal right to express their dissatisfaction. The interior minister said this prior to the 15 March [Hungarian national holiday] events in the statement he gave to the television program Daybreak. Gabor Kuncze is of the view that information that would have allowed people to learn the real economic situation has been lacking.

[Unidentified reporter] The economic measures announced on 12 March and decided by the government were unavoidable, in the view of the coalition deputy prime minister.

[Kuncze] "It is necessary to take measures such as these precisely so that the problems that are to be found in the economy will not lead to even greater problems and, consequently, measures much more unpleasant. I don't think it is worth linking these measures with the festivities. I think they really were necessary."

[Reporter] Information about the Hungarian economy's real situation did not take place in the past period.

[Kuncze] "It should have been done also in the past months; moreover, in past years as well. The problem is, in fact, that since nobody was willing to draw attention to the kinds of problems there were and the kinds of

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measures that had to be taken. The population was caught very much unaware by this announcement of measures.

"Of course, on the other hand, it must also be known that the government has now decided on certain steps; however, the elaboration of the details is naturally still to come. After all, it will necessitate various amendments to laws and the shaping of government decrees. The details will be discussed in the course of these debates."

[Reporter] That is why the interior minister does not consider there to be a need for the security organs to prepare for any kind of demonstration.

[Kuncze] "There is no need to make any special preparation for anything like this. Aside from this, naturally, the laws provide possibilities for people to express their opinions of the measures in various ways."

National Bank Chairman on Economic Situation

LD1403223295 Budapest Kossuth Radio Network in Hungarian 2100 GMT 14 Mar 95

[FBIS Translated Excerpt] The government is not planning to issue state bonds in hard currency. This was stated at a press briefing that Gyoergy Suranyi, chairman of the Hungarian National Bank held today. Kata Peli Nagy reports.

[Peli Nagy] According to the chairman of the bank of issue, reining in the budget expenditures was of key importance. As a result of the decision by the government [to introduce the austerity measures announced on 12 March], the 460-billion-forint deficit may be reduced to 350 billion, which is six percent of the GDP. This would be much better than expected but still high. According to Suranyi, the measures provide for appropriate development in the business sector and small and medium-sized enterprises, in the short term.

In order to explain the measures, Suranyi outlined the important figures of the national economy. Last fall the budget deficit was planned to be 460 billion in 1995. Businesses' needs for loans were envisaged to be 300 billion. These two together would require 760 billion forints to finance—the amount that the budget and the business sectors were to, or rather, would have liked to, spend in 1995. However, the population can, or wishes to, save only 340 billion forints this year, and from this sum the credit needs could not have been financed. Thus, this would have meant a current deficit of $3.5 billion or $4 billion—in other words, the country's debt would have grown even further. [passage omitted]

Describing the situation following the government's measures, the chairman of the Hungarian National Bank said that external financing, the debt, and the currency reserves were appropriate and provided opportunities for quick measures: The currency reserves were sufficient to finance imports for seven or eight months; 90 percent of the gross debts were long-term, maturing in six years and therefore they will not cause problems in the coming months.

Government Reduces Number of TV Staff

LD1403145295 Budapest Kossuth Radio Network in Hungarian 1400 GMT 14 Mar 96

[FBIS Translated Text] The government has decided to reduce the number of staff at Hungarian Television by 1,000. In reply to a question in parliament, Prime Minister Gyula Horn said the practical implementation of the layoff will be the task of television chiefs.

Finance Minister-Designate on Principles, Plans

95CH0178A Budapest HETI VILAGGAZDASAG in Hungarian 25 Feb 95 pp 9-12

[Interview with Finance Minister-Designate Lajos Bokros, by Gyorgyi Kocsis; place and date not given: "Another One"]

[FBIS Translated Text] *What Lajos Bokros, the new finance minister-designate, revealed in his 25-point program last week was mostly his economic-policy "credo," rather than any planned specific measures. As we went to press, also, the prime minister had approved Bokros's ideas. Bokros will be the fifth finance minister since the change of political systems and the second since the Horn government came to power. All the finance ministers espoused liberal economic principles and had leftist leanings. In our interview with Bokros, we asked him how he would cope with the requirements of the change of political systems that have by now proven unavoidable and that have put his predecessors to flight, one after the other.*

[Kocsis] In 1990, you were an MSZP [Hungarian Socialist Party] MP for just three months, until you suddenly gave up your seat. In 1992, in an interview you gave the newspaper NAPI, you said: "I will never be a politician, that is certain. I have abandoned my political ambitions." Do you think a finance minister is not a politician? Or, is nonpolitical economic policy conceivable?

[Bokros] Unfortunately, that is not conceivable. From this point of view, I really must amend the statement I made then. But I would like to be the finance minister who avoids being a politician as much as possible. If I may say so without modesty, I would like to be the No. 1 technocrat within the cabinet. In fact, the border along which it is possible to travel in the hope of success is so narrow that political considerations play a very minor role in my work. By this I mean that, on the altar of politics, I do not intend to make any concessions from the strict but indispensable measures that are essential to the economy's modernization.

[Kocsis] In an interview Laszlo Bekesi gave our paper (HETI VILAGGAZDASAG, 4 Feb 95), he expressed his firm conviction that Prime Minister Gyula Horn "had

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never accepted, not even for a moment, the full scope of the economic policy ... that was included in the government program," and therefore his departure was by no means solely for personal reasons; rather, it was due to serious conceptual differences of opinion. Your liberal economic views are well known, and last week you gave a spectacular expression of sympathy with your predecessor. Therefore, many people are puzzled. They wonder: If Bekesi was not good enough for Horn, why does he now find Bokros good?

[Bokros] I am unable to judge what other kinds of differences existed between Messrs. Horn and Bekesi. What I do know is that I accepted the prime minister's offer on the condition that I would be able to devise a strict economic program of my own—at least in general outlines. I did that, and the program has received Gyula Horn's approval. Beyond that, I am unable to comment on past events.

[Kocsis] In the mentioned interview three years ago, you said: "I am not a member of any party, but I unalterably profess to being a leftist—indeed, a socialist." Why, and to what extent, do you feel closer to the MSZP than to other parties, and to the SZDSZ [Alliance of Free Democrats] in particular?

[Bokros] My leftist mentality—or my socialist commitment, if you prefer—does not manifest itself in economic policy, unless in the sense that in every economic decision, one strives to think through the economic consequences of his actions. I believe there is social sensitivity in me. I am convinced it is possible to pursue an economic policy in which—even though basically liberal in its nature—social considerations are asserted to the maximum without relaxing an economic policy's austerity requirements. The conflicts during the past five years manifested themselves in attempting to force either purely this or purely that kind of an economic policy, while failing to notice that, actually, the present systems of social benefits are not at all socially inspired. If we are able to convince broad social strata that these systems must be changed specifically in their own interest, then it is possible to pursue an economic policy that is more effective economically, and at the same time more equitable socially.

[Kocsis] Then you see no insoluble psychological, sociological and political contradiction in the fact that a government in which the Socialist Party plays the leading role is directing "the laying of the foundations" of capitalism in Hungary?

[Bokros] If I think of the Spanish Socialist Workers Party's past 12 years, then it seems that the contradiction can be solved. During a single decade, that leftist government has carried out practically the country's complete modernization and its accession to the EU, and has also changed spectacularly the country's social structure. The MSZP-led government, too, can be a good partner to those social forces which must truly be persuaded to accept the fact that the process of modernization requires sacrifices. At the same time, the sacrifices can be spread more equitably within society;it is not absolutely essential to increase the burden of the poorest strata.

[Kocsis] In your 25 points published last week, you do not conceal the fact that in Hungary we have arrived at the "hard core" of changing our economic system. In privatization, all that is left to privatize is truly the "family silver"—the sale of large public utilities and energy companies whose privatization raised storms even in developed Western countries. And there is also budget reform, in the course of which acquired rights ought to be trimmed. Up to now, every finance minister has come a cropper in this. Why do you think you will succeed?

[Bokros] There are three causes for optimism. First, the government has learned a lot from its mistakes during the past eight months. Earlier, many people had been fostering the illusion that the painful measures could be spared. By now, I suspect, even the leading circles within the ruling parties realize that economic growth cannot start if the budgetary institutions are left intact. At best, we can set as our objective to ensure that the situation of the strata truly in need of support does not worsen; and since the situation of the other strata will worsen, there will be a more equitable distribution of the burden.

The second cause for optimism is that, in the widest areas of economic policy, it is possible to put together good teams of bright people who not only share our values but with whom it is also possible to quickly agree on specific action programs.

The third promising development is that even "lay" politicians are beginning to realize that the avoidance of modernization measures is not the purpose of linking up with Europe—for there was an illusion that Europe would give us enough aid to extricate us from our debt crisis. Today it is already clear that the leaders of the European Union have firmly told the Hungarian government that not even accession talks can start before we ourselves have implemented our own stabilization and modernization measures.

[Kocsis] Emphasis on [equitable sharing of] the public burden, on means-testing, and on the struggle against the undocumented economy might be popular. Less so, of course, the tax on real estate. But their practical implementation in Hungary today could encounter stiff social resistance. An indication of this is the public employees' sharp protest to any mention of personnel cuts.

[Bokros] It is an unwise tactic to start with slogans rather than with action, and to open up fronts unnecessarily against entire social strata. What we should say to public employees is not that there will be several hundred thousand layoffs. That would only make them form a united front. For the time being, I myself do not know how many of them will have to be laid off—as many as are no longer needed for effective state administration; that is all I can say at present. But we must add that

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anyone playing an outstanding role in making state administration more effective will be earning substantially more than at present.

[Kocsis] Comparing your 25-point outline of economic policy with the government program, one finds differences mainly in conjunction with privatization. The government program promises to consolidate the State Property Agency and the State Property Management Corporation; and that is what the [new privatization] bill, produced after a lengthy labor, is calling for. Don't you think that, at this stage, yet another rewrite of the bill, which you are proposing in order to retain the two organizations, would only hamper—rather than aid—efforts to rev up privatization?

[Bokros] Although that concern is warranted, I do not think my proposal would hold matters up. The MP's have already introduced several hundred motions to amend the bill. My proposal, which is beginning to gain ever-wider acceptance within the governing bodies of the ruling parties, would make it possible to "shoot down" a large proportion of those motions.

[Kocsis] You do not seem to be attaching as much importance as Laszlo Bekesi did to privatization for cash. Instead, you are emphasizing privatization's structure-shaping effect. What do you mean by that?

[Bokros] "Privatization for cash" is an inaccurate definition, in my opinion. If a foreign investor obtained a stake in a state enterprise through a capital increase, for instance, no money might have changed hands, yet the sale would have been for valuable consideration. We are not giving away assets freely. But the law should not bind the government's hands if it wants to privatize, say, large public-service enterprises by increasing their capital. At the same time, the government has an obligation to offer consideration also for compensation notes, since there is such a volume of them on the market (which does not delight me at all)—yet we are not privatizing in a manner similar to the stock-purchase program for small investors. Incidentally, I really think—and this might be regarded as magnanimous, coming from a finance minister-designate—that plugging the gaps in the state budget is not the reason why we have to privatize for cash; and I do not expect as much revenue from privatization as others had expected earlier. That is why I am placing greater emphasis on the need for budget reform. Of course, the revenue from privatization, if there is any, can be used partially to reduce the national debt; but some of that revenue can also be used to finance infrastructure investment and to promote growth in other ways.

[Kocsis] Is this logic not valid also the other way around? In other words, the revenue from privatization could also be used to alleviate somewhat the pain caused by the unavoidable budget cuts.

[Bokros] I am convinced that there are reserves in the budget even in the area of "easy" cuts. The budget deficit, for example, does not have to be financed necessarily at 36 percent interest; it could also be financed at 26 to 28 percent. Incidentally, it is best to make things clear as soon as possible. If we eased the pain of budget reform with one-time, nonrenewable revenue from privatization, we would be distributing revenue that later we would not be able to collect again and again.

[Kocsis] Earlier, although admittedly back in 1989, you argued forcefully on several occasions in favor of endowing the social-insurance funds with substantial assets in the course of privatization. But now you have adopted a diametrically opposed standpoint: you would not give any assets to—as you put it—the "trade union-inspired" social-insurance boards. Some people suspect that the cloven hoof is showing: your trouble with the social-insurance boards is that they are controlled by the trade unions.

[Bokros] Giving the social-insurance funds assets would make sense only if the state budget were not giving them general guarantees of their expenditures. But the funds now have such guarantees. If the two social-insurance boards waive their guarantees tomorrow, I will immediately "give" them 300 billion forints' worth of assets. But I fear that the boards will not take up my offer, because they are unable to plan what their disbursement commitments will be 20 years from now. (For instance, the National Assembly—rather than the social-insurance board—determines at present by how much pensions are to be increased.) And the boards would also be unable to estimate how much income the transferred assets would generate for them during those 20 years. Had the social-insurance system's restructuring on a commercial basis begun in 1989, the chances of transferring assets to it would be even greater. But what we now have is an absolutely ineffective system, under which everyone is striving to be generous at somebody else's expense.

[Kocsis] You have requested a 100-day grace period from the day you assume office, foreseeably on 1 March. Why do you need that grace period?

[Bokros] First, to gather information, because I do not have a sufficiently accurate picture of the country's situation. Second: During those 100 days—perhaps already the first week—the country will also witness same interesting actions. There appears to be a consensus on certain actions that cannot tolerate any delay. Third: By the end of this grace period at the latest, we must really decide whether we are able to conclude an agreement with the IMF. I would like to reach an agreement. But that will probably require a supplementary budget, or at least a preview of the 1996 budget that must be ready by September.

[Kocsis] Citing "the danger that the opposing forces will organize," in recent days you have flatly refused to answer any questions about any specific fiscal changes that can be expected in the near future. Where are these "opposing forces"?

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[Bokros] Everywhere! If I were to announce that I favored—incidentally, I do not—an exchange-rate policy that calls for drastic devaluation, that would immediately induce the banks, and the enterprises interested in foreign trade, to start speculating in foreign-exchange futures, and to advance their imports and delay their exports. The consequences would be the exact opposite of what was desired; or we would have to "cut" even more to attain the desired state. Or, if I were to announce that I would like to introduce—but I have no intention of doing so—very strict wage regulations, everyone would quickly raise wages sharply, while that could still be done. I could cite many similar examples also in conjunction with customs duties and social benefits. In recent years, more and more people came to realize that it was pointless to question the finance minister about future devaluations. In the coming years, I hope people will also understand that advance publicity must not be given to macroeconomic fiscal measures, either.

[Kocsis] According to several indications, the international money markets are more worried at present about the immediate threat of Hungary's insolvency than about our long-term structural problems. What can you say to reassure them?

[Bokros] There is no question of insolvency! The fact is that foreign capital has adopted a wait-and-see attitude. But many people have drawn false economic conclusions by amplifying the political uncertainty. The country's foreign-exchange reserves are substantial. Unlike in Mexico—it is now the current bad example—in Hungary only the best enterprises within the business sector obtained foreign loans; consequently, they too are solvent. I am convinced that the government's activity in the near future will immediately dispel the rumors that are unfavorable from our point of view.

Program Evaluated

95CH0178B Budapest BESZELO in Hungarian 23 Feb 95 pp 6-7

[Article by Janos Eorsi: "The February Main Points"]

[FBIS Translated Text] *Lajos Bokros, the finance minister-designate, unveiled his 25-point program last week, although he emphasized at the press conference that the points were not solely his. Turning to the press photographers, he said: "Allow me to show you a paper with the prime minister's signature. It reads: 'I concur. Gyula Horn.' There is no Bokros program here. What we have is a Horn Program."*

There are already two Horn programs: one attributed to Bokros, the other to Bekesi (the latter is called the government program). Admittedly, when Laszlo Bekesi resigned, the prime minister promised to "regroup the points of main effort." Now, at the beginning of this week, he publicly subjected Bekesi to "professional" criticism—by referring to Bokros as "more professional"—and, as an example, rebuked Bekesi for the late introduction of the privatization bill. The question thus arises whether that certain point of main effort is really being shifted. The answer is not an easy one. After all, Bokros is only brandishing the program as yet, and in our country a paper is able to endure much more than what a practicing finance minister can.

Let us begin with what Bokros's points do not propose to change: namely, with the "equilibrium versus growth" debate—for this debate is a pseudodebate (in view of the fact that the budget will have to pay out 450 billion forints in interest this year), but the opposition likes to dwell on it for that very reason. Even Imre Karl, head of the parliamentary economic policy work group of the MSZP [Hungarian Socialist Party], told MAGYAR NARANCS in an interview that Bekesi had placed emphasis one-sidedly on stabilization, and therefore "creation of the conditions for growth" had been overlooked. Wherever possible, Bokros avoids political overtones—evidently, that was what he had bothered with the most at his Harkany retreat, where he wrote his program—and thus he bridges the dilemma by means of a new formula. What is needed, in his own words, is "equilibrium-preserving growth." Between the lines, he fully agrees with Bekesi (and the IMF). He, too, believes that a close correlation exists between the development of the balance on current account and the budget deficit. In other words—although he leaves this unsaid—the only thing a finance minister can do when the balance of payments is unfavorable (and that is indeed the case) is to tighten the belt another notch. Or, to be more exact, there are two more modes—the stimulation of exports and skillful management of the national debt—as a result of which, according to Bokros, the interest rate could be reduced by as much as 5 or 6 percentage points. He did not reveal any details about this even at his press conference, because in his opinion, stabilization is an area that requires action instead of talk. Nevertheless he did reveal that he (too) felt a supplementary budget would be necessary, and that he, too, would like to conclude an agreement with the IMF.

Of course, a change of style in itself could mean a lot. Stabilization and budget reform that practically has not as yet gotten off the ground are in the public interest but clash constantly with the interests of individuals. Unfortunately for him, Bekesi attempted to solve this problem through confrontation therapy: He, as the Public Interest (allied with the SZDSZ [Alliance of Free Democrats]), confronted constantly the many Individual Interests. A change of style is necessary, Bokros now says. Instead of a pessimistic style with its "end-of-the-world mood," it is necessary to point out that "the situation is difficult, but there is a solution"! "Half of my work will consist of marketing: I will try to sell what little I have." Bokros wants to continue the dialog with the trade unions, but he adds that failure to come to terms with them cannot prevent the government from taking action. In other words, if we understand him correctly, he will attempt to sell what he can, but if he is unsuccessful will leave the arm-twisting to the politicians.

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Bokros is proposing significant changes in three areas: tax policy, privatization, and the status of the finance minister. Everything else constitutes more of a change in emphasis. For instance, he too would like to transform the "human infrastructure" (education, health care, and the social-welfare system), curtailing the range of free services and expanding the system of voluntary insurance. Only the needy are entitled to free services; instead of giving palmed tips, we would have to pay hotel rates for a bed in a semiprivate hospital room. "We have money only for real social policy, and nothing more," he declared, as if he were reading the Free Democrats' social program. Other requirements—tax collection; the war on corruption or, in other words, a "clean hands" policy—are eternal puddings whose proof is truly in their eating.

In tax matters, Bokros had sided with the prime minister already earlier. The press had given a very prickly reception to Horn's famous announcement about a property tax and more equitable sharing of the tax burden. Only our paper (BESZELO, 8 Sep 94) and Lajos Bokros (MAGYAR HIRLAP, 18 Nov 94) expressed appreciation of the idea (the latter did so without mentioning Horn by name). On the one hand—Bokros believes—it is necessary to expand the investor's benefit, changing it to a deferred tax until the holder of equity sells his investment. On the other hand, he would levy a progressive tax on real estate property. That—he hopes—would narrow the scope for tax evasion.

Bokros would reduce the rates of social insurance contributions, parallel with the mentioned reforming of the "human infrastructure." The tax system, he believes, must rest on two pillars: sales taxes and individual income tax. Thus, he regards corporate income tax as a dispensable source of revenue, because it can easily be avoided.

We can expect a new turn in privatization policy. Bokros views a consolidation of the two holding organizations (the AVU [State Property Agency] and AV Rt. [State Property Management Corporation]) as an unnecessary and costly bother, a manifestation of the "organization illusion." He would also change the proposed strategy, according to which small-scale privatization would proceed within a statutory framework, while large-scale privatization would take place on the sly, on the basis of ad hoc government resolutions. He would like to submit to the parliament, also, the conceptual plan for selling the five large public utilities. The drawback of this would be that the decisionmaking process would start all over again, although in our last week's issue we reported that this is already happening anyhow, in conjunction with the Villamosmuvek [power plants]. Moreover, Bokros does not think the 150 billion forints of privatization revenue expected this year—mainly from the sale of the public utilities—will actually flow in. He also questions whether privatization for cash ought to be given preference in every case. But he favors privatization through the sale of equity, if only to provide shares for trading on the Budapest exchange. To that end, he believes, the assets held by the AVU ought to be sold for compensation notes.

On the question of letting "real" owners (in other words, capitalists) acquire state assets, he is not so categorical as was Bekesi. Indeed, he espouses the slogan so often voiced by left-wing Socialists and trade unionists: i.e., that privatization is only a means, and not an end. If we are not mistaken, he is returning essentially to the privatization policy of 1990-92, to the MDF-led [Hungarian Democratic Forum-led] political order that had not yet become jingoistic in matters pertaining to privatization.

As finance minister, Bokros would prefer to be a manager rather than a politician. But politically he is striving for the position his predecessors failed to achieve—that of economic supremo within the cabinet. Democracy, he emphasized at his press conference, was invented for the parliament and not the cabinet. In cabinet, the prime minister has the final say. (Perhaps that won him the "more professional" rating.) But as chairman of the cabinet's economic committee, he wants all the economic strings to come together in his hands; and in economic matters, he wants to approve the drafting of any submission to the cabinet. The Free Democrats gladly agreed to this. And Horn also signed it.

Just as he had signed the coalition pact.

Party Leader Calls On Prime Minister To Resign

LD1403213895 Budapest Kossuth Radio Network in Hungarian 2000 GMT 14 Mar 95

[FBIS Translated Text] The chairman of the Independent Smallholders' Party has once again, at the party's 15 March celebration [of Hungarian national day], called on the prime minister and government to resign. Several thousand people took part in the Budapest event. Jozsef Torgyan said the path leading to the progress of the Hungarian people is blocked by the liberal Bolshevik leaders. For this reason Magyardom must sweep aside the hopeless leaders if it wants to join Europe.

Hungarian-Slovak Talks on Basic Treaty Continue

LD1403210795 Budapest MTV Television Network in Hungarian 1830 GMT 14 Mar 95

[FBIS Translated Text] The Hungarian-Slovak foreign ministerial talks in Budapest have not ended yet. Our correspondent reports from the spot.

[Correspondent] Good evening. The talks between Slovak Foreign Minister Juraj Schenk and Hungarian Foreign Minister Laszlo Kovacs began at 1800 tonight, and continue. According to our information, in the course of the talks, Kovacs proposed that the Slovak side accept key words that precisely interpret the minority rights that are included in Recommendation No. 1201 of the parliamentary assembly of the Council of Europe.

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These key terms are, for example, local self-government [helyi oenkormanyzat], self-administration [oenigazgatas], cultural autonomy [kulturalis autonomia], use of language, and education in the mother tongue.

The Hungarian negotiating partner is of the view that these terms describe the forms of autonomy without which minority rights cannot be fully guaranteed. The question is whether they manage to agree on the text of the Hungarian-Slovak Basic Treaty, or whether agreement is left for a Horn-Meciar meeting at a later date.

According to information obtained by Newsreel [name of a program], the Hungarian delegation, led by Kovacs, also would like to achieve the formation of a Hungarian-Slovak minority mixed committee to monitor the agreements, and for Hungary, jointly with the relevant European organizations, to be able to examine the actual opportunities for these minority rights, for which Hungary asks free mobility and observations. And now back to the studio.

Romanian Minister on Progress on Basic Treaty

AU1403162495 Budapest MAGYAR HIRLAP in Hungarian 14 Mar 95 p 3

[Interview with Romanian Foreign Minister Teodor Melescanu by Otto Neumann; place and date not given: "The Romanian Parliament Supports the Agreements"]

[FBIS Translated Text] [Neumann] To what extent have the positions of Hungary and Romania on the basic treaty become clearer after the latest diplomatic contacts?

[Melescanu] The two sides' views on the basic treaty became perfectly clear as early as September 1994 during my talks with Foreign Minister Laszlo Kovacs. On 1 February 1995 when, in the name of our respective governments, we signed the Council of Europe framework agreement on the protection of national minorities, we agreed that our experts should complete drafting the basic treaty as soon as possible so that we can sign it before the 20 March ministerial conference of the European stability agreement. We agreed on this date because it is our governments' political will to make the basic treaty part of the stability agreement. On 1 February we also decided that our experts should seek the most suitable formulations for the clauses on the rights of citizens belonging to national minorities, and that the clauses should meet the norms and expectations laid down in international and European documents. This view—especially as regards fitting the rights of national minority members into the basic treaty and making intensive political and diplomatic efforts to finalize the text by 20 March—was again confirmed by the telephone conversation between Romanian President Ion Iliescu and Prime Minister Gyula Horn in early March.

[Neumann] After State Secretary Ferenc Somogyi's Bucharest talks last week, what are the obstacles to signing the basic treaty?

[Melescanu] An obstacle has appeared in connection with fitting in the European documents on this issue. The Hungarian side wants us to consider the Council of Europe General Assembly's Recommendation No. 1201—more precisely, the draft protocol that is part of the document—as a generally effective European norm as regards the rights of persons belonging to national minorities.

The Romanian side, however, believes that this draft protocol, which is a recommendation, has actually lost its value because its most important principles, which were accepted by the Council of Europe member states, were later included in the framework agreement signed on 1 February.

[Neumann] In this sense, do you not consider a meeting with Kovacs necessary before 20 March?

[Melescanu] If our experts manage to finalize the draft agreement in the coming days, then we will naturally have to meet to initial the text. If our foreign ministries, at the level of experts and state secretaries, do not reach a mutually acceptable final text at the beginning of this week, then an immediate meeting will presumably be necessary with Kovacs to try, as a last effort, to overcome the possible differences of views.

[Neumann] Should it have to accept compromises havng to do with the basic treaty, will Romanian diplomacy receive the necessary support from the Bucharest Parliament?

[Melescanu] I recently held consultations with the leaders of the government coalition's four parties on the basic treaty to be made with Hungary. I also held discussions with the foreign affairs committees of Parliament's two houses. My impression was that we can actually expect general support if the basic treaty fits in with Romania's constitutional order and the European norms of these issues. When seeking compromises, the Romanian negotiating side obviously cannot overstep this limit. Naturally, we will continue to maintain a dialogue with Parliament and the parties during the whole process of the talks, in order to have continuous political support for the basic treaty.

[Neumann] As Slovakia is also preparing to make a basic treaty with Hungary, have Bucharest and Bratislava jointly tried to find similar solutions, especially as regards the rights of the Hungarian minority living in the two countries?

[Melescanu] It would have been unnatural not to hold such consultations. However, we did not consider it appropriate to jointly formulate similar solutions. These are two sovereign countries, and both assert their interests the way they consider suitable. If similar passages are included in the Hungarian-Slovak and the Hungarian-Romanian treaties nevertheless—mainly mutual renunciation of territorial demands and rights of persons belonging to national minorities—the primary reason

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will be that both basic treaties refer to European expectations that are, naturally, the same for all states.

Official Assesses National Security Bill

AU1403191095 Budapest MAGYAR NEMZET in Hungarian 13 Mar 95 p 7

[Interview with Peter Boross, chairman of the legislature's National Security Committee, by Zoltan Vereckei; place and date not given: "Political and Legal Crimes Often Get Intertwined"]

[FBIS Translated Text] National Security Committee chairman Peter Boross also thinks that political public opinion in Hungary wants to know what the National Security Office does with its political information in the struggle among parties. Therefore, the consequences of this fear must appear in the national security bill that the parliament has recently started to debate. According to Peter Boross, however, there is no minister today who would risk providing political information to his party. We asked Boross about the national security bill.

[Vereckei] In your opinion, are we living in a normal country?

[Boross] Definitely not from the viewpoint of mutual trust, if there were still people a few months ago who spoke of clicking phones.

[Vereckei] I only asked this because Constitutional Affairs Committee chairman Peter Hack said in the middle of January that a situation in which a man from the national security service might get into an exchange of fire with a policeman in the course of an investigation does not exist in a normal country. This could happen in Hungary if the parliament accepts the national security bill in its current form.

Before going into detail, however, I would like you to remind us of the attempt to legislate such a law at the time when you had the position of interior minister. Why was that plan abandoned?

[Boross] This is a law that requires a two-thirds majority, and we did not have a two-thirds majority in the parliament. Preliminary views about it made it clear that the deputies would not accept it, so we decided to first submit the police law to the parliament, and only after this to submit the national security bill.

[Vereckei] A few years have passed since then, and a new bill has now been formulated. Peter Hack said, about this bill, that the whole proposal is conceptually mistaken. What is your opinion on this draft proposal?

[Boross] In my view, the problem lies in the fact that we have received a government proposal and we do not know the extent to which this proposal reflects the position of coalition parties. This is why I suggested that the government parties hold a coordination meeting before the parliamentary debate. There is not much sense in debating the issue if there is no preliminary understanding between the Alliance of Free Democrats and the Hungarian Socialist Party, for example.

[Vereckei] Let us look at the problematic areas of the draft proposal. One of the achievements of the change in regime was that the political police was separated from the criminal police. The new bill would again bring back the spirit of old times by again spreading the authority of the National Security Office to criminal cases. Do you agree with this?

[Boross] I regard this concept as basically positive. Today, when crime has reached well-known levels, we cannot disregard the participation of an organization in criminal investigation, an organization that obtains a lot of information through its procedures. Nor can we disregard the fact that political and legal crimes often become intertwined, and there are many legal crime cases that also threaten our national security, like the trade in drugs and weapons.

[Vereckei] It is customary in other countries for the National Security Office to hand over the information it has obtained to the relevant police department.

[Boross] There are many versions, and there are places where one organization carries out the two types of activities—like the FBI, for example.

[Vereckei] But the United States is a federal state, as opposed to Hungary and other European countries.

[Boross] Here, in general, the policemen protest against the bill—and not without reason. They do not agree with the fact that, from now on, national security officials can also step into their territory. The policemen are also against the new bill because Interpol does not have contacts with nonpolice organizations.

[Vereckei] The statute of Interpol even forbids cooperation with nonpolice organizations.

[Boross] Indeed and, therefore, it is possible that we will have to reexamine certain points in the bill.

[Vereckei] Would it then be simpler to use the first version—namely, the supply of information?

[Boross] It is sure that this would also have its own logical side. But we should accept the fact that there is no really good regulation that stops parallelisms. This is why we need a six-party coordination in this area, in order to find some kind of conciliatory solution.

[Vereckei] According to Peter Hack, it is obvious that we are talking about an organization-sociological interest here, because if the National Security Office can also deal with general crime cases it can claim more work, and subsequently a larger budget. Hack says the Office wants to have a bigger apparatus than required by its classic function of protecting the Constitution.

[Boross] This is one opinion among many. For this opinion to have weight, it must first become a political

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desire within his own party. Of course, there is some truth in this, too, because every organization is trying to broaden its authority. Therefore, one must be careful in formulating this law.

[Vereckei] In your speech in the legislature, you simply called organized crime a journalistic concept. What do you mean by this?

[Boross] Organized crime does not exist as a penal category. If this concept is used in a law—as in the case of the national security bill—we should first clearly define what this concept covers. At the moment, we use the term organization for whatever we want. Therefore, I definitely want to limit this concept.

[Vereckei] The concept of organized crime also appears in the police law!

[Boross] That is true, but this is not "dangerous" there, because the police has the authority to carry out general investigation. We must clearly formulate the type of crimes and sphere of authority of the national security service, if it steps over into police territory.

[Vereckei] In addition to professional problems, the bill also contains political dangers. After the legislation of this law, the National Security Office will also have the opportunity to investigate politicians suspected of economic abuse—and, in such an action, the Office can obviously gain information that can later be used in party struggles.

[Boross] The legislators took this problem into consideration to a certain extent. According to the rule, the Office will have to report on the investigation of certain persons in prominent positions to the chairman of the National Security Committee, who today happens to be an opposition politician. The question is what I can do with this, if I must treat it as a personal secret.

At the same time, I must admit that there is a concern about the possible use of such information in party struggles. This fear originates from the current political atmosphere. However, no one thinks that the National Security Office will simply close up this information. The Office is an organization that guards many secrets. When I was a minister, I interpreted such things very strictly; in spite of this, certain insinuations were voiced. Things have changed now. There is another minister now, and he is facing the accusations.

[Vereckei] I think this issue cannot be settled so simply today; nevertheless, it makes a difference when the police, rather than the National Security Office, gather information about politicians suspected of legal crimes.

[Boross] What transpires from what you say is merely that there is still a lot of resentment as regards the secret services. Given the fact that the public also feels that way, we cannot disregard the fact that the consequences of this lack of confidence must appear in the law. At the same time, if the National Security Office lacks adequate political control, supplying information can occur despite all kinds of regulations. I do not think, however, that any minister would risk such a step today, and I hope no minister is ready to do so, either.

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Exportation of T-72 Tanks to Iran Suspended

WS1503101595 Warsaw ZYCIE WARSZAWY in Polish 15 Mar 95 p 3

[Article by "CEG, REU, TW": "The Iranians Will No Longer Purchase Tanks in Poland"]

[FBIS Translated Text] *"Poland is suspending exports of T-72 tanks to Iran," said Minister of Foreign Affairs Wladyslaw Bartoszewski in an interview for Reuter. Iran does not fall under the international United Nations embargo. The United States, however, has been appealing to its allies to suspend exports to Iran because of its hostility toward the United States. As our U.S. correspondent learned, the issue had been repeatedly brought up during Polish-U.S. talks. We were unable to discover whether the United States offered to compensate for the losses our military industry will sustain by suspending tank exports to Iran. This will definitely have propagandistic value in our attempts to join the North Atlantic Treaty. Poland supplied Iran with modern T-72 tanks manufactured on a Soviet license.*

The head of diplomacy stated that Waldemar Pawlak's cabinet had already planned to suspend these supplies. "The current government intends to finalize decisions made by the former cabinet. We do not intend to enter any talks on this issue in the future," said Bartoszewski.

Trade Ministry Unhappy

LD1503142995 Warsaw PAP in Polish 1355 GMT 15 Mar 95

[FBIS Translated Text] Warsaw, 15 Mar—Poland will cease the sales of arms to Iran, the Polish MSZ [Foreign Ministry] has announced. This is a decision of Waldemar Pawlak's government, which will be implemented by the present cabinet, MSZ spokesman Krzysztof Sliwinski told PAP today. He referred to a statement by Foreign Minister Wladyslaw Bartoszewski on Tuesday. In an interview for REUTER he said that the present government would uphold the decision made by its predecessor.

According to Sliwinski, this is Poland's sovereign decision, which arises from international rather than bilateral agreements. "On one hand, the MSZ is trying to find markets for the Polish arms industry, and, on the other, we are restricted by our international obligations," he said.

Colonel Jerzy Kade, director of the defense department in the Ministry of Industry and Trade, told a PAP journalist today: "Our position is that our obligations must be fulfilled—the interest of the country requires it." "We shall agree to end the sales when the Americans show us the way to other markets or compensate for our losses," Kade added.

Talks with the Americans on this subject had been held for a long time. Our decision was preceded by a careful calculation; the state imperative and the interest of the state do not boil down to only one enterprise, a high-ranking MSZ official has pointed out.

The sale of arms to Iran is not covered by a UN embargo. It is the United States that is seeking the end of arms exports to that country.

Russia's Gaydar on Relations, NATO, Chechnya

WS1403151595 Warsaw GAZETA WYBORCZA in Polish 14 Mar 95 pp 1, 3

[Interview with Yegor Gaydar, leader of "Russia's Choice" and the largest opposition faction in the Russian State Duma, by Irena Lewandowska; place and date not given: "NATO Yes, but for What? I Am Ashamed of My Country"]

[FBIS Translated Text] *During his visit to Warsaw, Yegor Gaydar told journalists yesterday that the more effort the West and Poland put into convincing the Russians that NATO is not Russia's enemy and that expanding the alliance is not aimed at isolating it, the more the anti-NATO phobia of the Russians will wane. In an interview with GAZETA WYBORCZA, however, he formulated that thought somewhat differently.*

[Lewandowska] It is now known that NATO will expand eastwards. What will be Moscow's reaction?

[Gaydar] Bad. If the only people in Russia were my supporters, there would be no problem. But this is not the case, and our political opponents will do everything they can to build up political capital against the expansion of NATO. This, of course, is no argument for altering any decisions.

Yes, it will be said a thousand times over that this is an international plot against Russia, that the menace is approaching our borders, that foreign armies will attack our cities and villages, that we must retaliate in one voice and with dignity to the imperialists and their Russian allies. Part of our society—I do not claim it will be the majority, but those less-well educated, less reasonable—may believe that.

I understand your motives. If I were a politician of the Polish, and not the Russian center right, I would probably hold identical views. But for me, NATO is a structure established with one aim only—as a counterbalance to the military threat of the Soviet Union.

Still, the USSR no longer exists. If Russia is stable and democratic it will not pose a threat to anyone. Why then expand NATO... We should rather establish a joint security system which could act as a counterbalance to new threats.

[Lewandowska] What if Russia is neither stable nor democratic?

[Gaydar] You should think twice whether we are enhancing the possibility that Russia will be stable and democratic by expanding NATO.

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[Lewandowska] Polish-Russian relations are not very good.

[Gaydar] I would not exaggerate this point. We are signing serious contracts, bilateral trade is growing. Considering our difficult history over the last several centuries, things now are not that bad.

[Lewandowska] It seems, however, that Russia does not like us very much. The incident at the Eastern Railway Station, the holdup of our convoy in Chechnya, and now the incident at the Immaculate Conception Church in Moscow.

[Gaydar] Some like you, others do not. For many, this is an issue of nostalgia for the past, the dream of restoring the empire. Hence the playing on emotions, the uproar over threats to Russia's national interests, about spheres of influence.

[Lewandowska] Maybe this is only about Poland's membership in NATO?

[Gaydar] Russia has so many problems and worries that this one is really not the most important. Considering our internal problems, the issue of Poland in NATO is really not in the fore. Particularly for the public at large.

[Lewandowska] Some of the political forces in Russia, however, claim the expansion of NATO is the number one problem?

[Gaydar] The same forces that said U.S. soldiers would attack Moscow when the Duma debated joint maneuvers with U.S. formations at a testing ground in Totsk—the U.S. troops were to attack our strategic facilities directly from the range. The same forces that recently voted to demote Sergey Kovalev as human rights spokesman. Communists, agrarians, Zhirinovskiy's supporters, and several minor groups—in all, nearly one-half of the deputies.

[Lewandowska] What are the differences in opinion on Central Europe between your party, the government, and the president?

[Gaydar] We all agree Russia does have its national interests and they do not necessarily have to match the interests of established democracies. We—Russia's Choice—believe that a permanent alliance with democratic states best meets Russia's national interests. We all agreed on that in 1992. Currently, however, I have the impression that some people in the government and in the Foreign Ministry look at it differently. The tug-of-war has begun, the talk of lost spheres of influence, of endangered interests.

It all began after the elections of 12 December 1993, when so many people voted for Zhirinovskiy, the political brawler who promised to lead the last assault on India. Many politicians came to the conclusion that this is what appeals to Russia—nationalistic rhetoric, decisiveness, punishing those who do not obey. The decision to start the war with Chechnya is also an outcome of those elections.

[Lewandowska] Does this view meet with a wide response in Russia?

[Gaydar] You, Poles, understand our problems better than the West does. Yet despite all the similarities, there is a huge difference. For Poland, the downfall of socialism meant regaining independence. For Russia—the collapse of a huge empire. That is why appealing to nationalism is extremely dangerous in our country. We have imperial traditions many centuries old.

It is not that bad, however, with our society—just look how people reacted to the war in Chechnya. The Russian nationalists thought the nation would be thrilled—after all, the Russians do not like the Caucasians, thus the wave of enthusiasm was to wipe away the detested democrats. Meanwhile, 80 percent of the people are against this war.

[Lewandowska] Is the intervention in Chechnya not a warning for other republics against breaking away from the Federation?

[Gaydar] As far back as 1991 and in the beginning of 1992, the tendencies toward decentralization were very strong; currently the situation has changed. The regions are even more dependent on the center than required in a normal federation. "The small victorious war" was completely unnecessary.

Of course, Russia does have and will continue to have serious ethnic problems. As any multinational state. Yet there was no threat of the Federation falling apart prior to the intervention in Chechnya.

This war is a serious blow to Russia's authority. A country that begins to bomb its own cities, wages a war on its own territory, and kills its own citizens becomes a threat to others. Every region will think 10 times whether it should stay in a Federation of this type. Yet I do not think that disintegration poses a serious threat for Russia. That threat, however, is far more probable than it was four months ago.

[Lewandowska] Does this mean that the Chechen conflict might reappear somewhere else?

[Gaydar] If you pass a certain boundary... If only you begin, it is easier to resort to force later on. The reasons are not important—the intervention in Chechnya was explained by the high crime rate, yet Moscow was and is no safer.

[Lewandowska] We also look at Russia differently now—we are more afraid of it.

[Gaydar] We have struggled to change Russia's image for a very long time. I am very sorry I have to feel ashamed for the country in which I live.

[Lewandowska] I do not think anyone should be ashamed of what their country does, only of what one does himself.

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[Gaydar] Nevertheless, it is more pleasant to live in a country that behaves decently. We will do everything we can to change Russia's image. When the coup began on 19 August 1991, many thought it would be successful because over the years people have grown unaccustomed to resistance. It turned out these were entirely different people. The coup failed and life became very pleasant. Our nation is much wiser, much more reasonable that some of those who rule it and lament over it claim. Chechnya has proved that once again.

Talks With Russia on Okhotsk Sea Fishing Halted

MM1503095695 Szczecin GLOS SZCZECINSKI in Polish 9 Mar 95 p 1

[PAP-attributed article: "The Terms Put to Us Are Unacceptable: Suspension of Talks on Sea of Okhotsk Fishing Rights"]

[FBIS Translated Text] Warsaw—Talks between Polish and Russian experts on the subject of Polish trawling fleets fishing for Alaskan pollock in the Sea of Okhotsk, which were conducted this week in Moscow, have been suspended. As Jerzy Kleniewski, director of the Ministry of Transport and Maritime Economy's Fisheries Department, told a PAP correspondent, they will soon be resumed "at a higher level."

In the course of hearings before Sejm commissions on the third of this month, Transport and Maritime Economy Minister Boguslaw Liberadzki said that the question of Polish fishermen fishing for Alaskan pollock in the Sea of Okhotsk international waters has been the subject of negotiations with the Russian Federation authorities for several years now.

According to the minister, the terms laid down by the Russian side are "impossible to accept as far as we are concerned." "The fishing quotas which the Russians stipulate for us amount altogether to 50,000 tonnes of fish per year, of which Alaskan pollock would constitute only a fraction. Until now, we used to catch some 300,000 tonnes of Alaskan pollock a year in the sea area in question. Our fishermen are not interested in fishing for cephalopods," he added.

According to Liberadzki, acceptance of the terms stipulated by the Russians would be tantamount to "death at one's own request."

The Russians are attempting to extend their economic zone in the Sea of Okhotsk and to exclude Japanese, Korean, Chinese, and Polish fishermen from the area. They are trying to achieve this objective by a variety of methods which include, among others, organizing naval maneuvers in the area, preventing foreign fishing boats from bunkering (that is, refueling and taking on water) in Russian ports, and refusing to offer assistance to sick seamen.

Byrt Not Allowed To Accompany Walesa to Norway

WS1503130695 Warsaw GAZETA WYBORCZA in Polish 15 Mar 95 p 2

[Article by Jacek Pawlicki: "Why Did Byrt Not Go?"]

[FBIS Translated Text] Lech Walesa will visit Norway without a representative of the Foreign Economic Cooperation Ministry [MWGzZ]. The president did not agree to be accompanied by a deputy minister selected by Minister Jacek Buchacz. The minister, in turn, did not agree to send the deputy minister, who usually accompanies the president on foreign visits.

So far, Walesa has been accompanied on foreign visits by Deputy Minister Andrzej Byrt. This time Byrt, who is responsible for trade with the West and is known for his competence, did not get permission to go to Norway from his boss, Jacek Buchacz, head of the MWGzZ.

It is not clear why Buchacz selected Deputy Minister Jan Czaja to accompany Walesa. According to MWGzZ Press Spokesman Zbigniew Ostrowski, the minister "has the right to field his own candidates." "Czaja was well prepared for this visit," Ostrowski told GAZETA WYBORCZA. He refused, however, to comment on the president's decision; he only admitted that the "issue is strange, to say the least."

Asked by GAZETA WYBORCZA why he had not gone to Norway, Deputy Minister Byrt replied: "The minister decided that I had a lot to do here in the country, and he was entitled to do that."

Minister Buchacz explained that the president could have used the services of any other minister in his ministry, including himself, but not Deputy Minister Byrt. According to the minister, Byrt did not go to Norway for objective reasons because "he had been absent from work for a month and he had a lot to do."

* * *

Jan Czaja has been promoted to the post of deputy minister quite recently, when Jacek Buchacz was minister. He speaks six foreign languages; he was the recipient of scholarships at the Italian Foreign Affairs Ministry, the French International Affairs Institute, and the Kennedy Institute in Tilburg. He has given lectures on international law at the Wilton Park Institute and the International Institute of Strategic Studies in London.

For over 30 years he has been an activist of the peasant movement—first in the United Peasant Party [ZSL] and then in the Polish Peasant Party. He was the head of the foreign department of the ZSL Chief Committee and a deputy in the contractual Sejm [elected in 1989]. In June 1989 he wrote in DZIENNIK LUDOWY that he believed that the most important task was to promote agriculture to the status of the fundamental branch of the national economy, as is the case in Denmark or the Netherlands." [quotations marks as published]

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Oleksy Dismisses Customs Office Chief

LD1503132395 Warsaw PAP in Polish 1258 GMT 15 Mar 95

[FBIS Translated Text] Warsaw, 15 Mar—Prime Minister Jozef Oleksy dismissed Ireneusz Sekula from the post of head of the Main Customs Office [GUC] today, the government press office has just reported.

Leszek Ziolo, the head of the government press ofice, told a PAP journalist that he does not know the reasons for the prime minister's decision.

'Solution' to 'Conflict' Over GS Head's Status

WS1503111495 Warsaw ZYCIE WARSZAWY in Polish 15 Mar 95 p 2

[Article by "LUZ": "The Army: To Whom Should the Head of Staff Be Subordinated? The Mystery of a Compromise Solution"]

[FBIS Translated Text] Defense Minister Zbigniew Okonski has a solution to the conflict between parliament and the president on the status of the head of the General Staff but refuses to reveal any details yet. The head of the Ministry of National Defense told journalists yesterday that he has found the golden mean, which appealed to the president. He added that Walesa "is aware of the obstacles in the path of implementing this idea." He refused to say what the compromise would be before talking with the prime minister and members of parliament.

"We must work on it a bit more," was all we could get out the head of the Minister's Cabinet, Director Jerzy Koziej.

The deputies are waiting to hear about the minister's suggestion with anxiousness and skepticism. "If the head of staff is subordinated in any way to the president, there will be no compromise. You are either subordinated to the president or not," says Bronislaw Komorowski, from the Sejm Defense Commission.

Two entirely contradictory proposals on the head of staff are now resting with the Sejm. The deputy proposal definitely subordinates him to the defense minister, the presidential proposal subordinates him to the minister on political and administrative issues, and to the president in terms of command. Experts on constitutional law agree that Walesa's suggestion violates the current Constitution.

Operations in President's Chancellery Detailed

WS1403144595 Warsaw POLITYKA in Polish 4 Mar 95 pp 1, 14-15

[Article by Jagienka Wilczak and Mariusz Janicki, in cooperation with Ryszard Socha and Stanislaw Podemski: "The President's Oversleeves"]

[FBIS Translated Text] *The dismissal of Lech Falandysz, the president's most loyal advocate, is ample proof that everybody but Mieczyslaw Wachowski can leave Lech Walesa. The President's Chancellery and its staff have once again been very much in the public eye lately. Who is in charge there, who makes the decisions, and who merely wears the clerk's oversleeves?*

The head of the President's Chancellery, Professor Janusz Ziolkowski, has the notion he is heading a very important state office. "The Chancellery has a broad range of prerogatives, duties, and issues to which to attend. From drafting proposed legislation and appointing ambassadors, university professors, and judges, to awarding Polish citizenship and conferring medals. These are serious responsibilities," Prof. Ziolkowski recently declared at a lunch held in the office of the GLOS WIELKOPOLSKI newspaper. "The number of issues and accompanying files which I have to handle is enormous," he went on to add.

Prof. Ziolkowski claims he is often the last or only resort, for "some matters are reserved solely for the head of the Chancellery. They get the president's attention only when something has gone wrong."

The professor describes his job as "engaging in intellectual provocation with the president." Walesa finds that enjoyable, for he usually likes problems brought out into the open. His relationship with the president? One of loyalty and faithfulness. Ziolkowski chose to go with Walesa because he was convinced that "that man will play a very vital role in Poland."

A positive role. His choice was right, he believes. "Please show me one example of the destabilization of the state for which Lech Walesa can be held responsible. Where, in what sense, is the president a threat to democracy?"—the professor makes a stern face at his boss's opponents.

Prof. Ziolkowski was born in Sosnowiec. He majored in sociology and economics while at Poznan University. In 1972 he was appointed full professor. He worked as a UN consultant for regional planning and at UNESCO. In 1981 he was elected president of Poznan University, but was relegated as early as January 1982. He participated in the roundtable talks. On 4 June 1989, he was elected to the Senate of the Republic of Poland as a "Solidarity" candidate.

Chancellery staff members say their boss is focused primarily on his special area of interest—international affairs. He is an expert—no one in the Chancellery threatens his position—and, conversely, the professor does not threaten anybody's position either. He has a nonconflicting nature, does not involve himself in power struggles in the Belweder or in the race to positions of power. When tension around him runs high, the professor withdraws, leaves for Poznan or a spa, or goes abroad. He stays out of the limelight—is rarely visible on television or in the headlines. There are those who think that what the head of the Chancellery values most is his

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peace of mind and his position. He has moved into a small but stately flat in a palace on Krakowskie Przedmiescie street. "He clearly enjoys that" his subordinates commented.

The Office of Presidential Political Services, one of the more important offices in the entire Chancellery, prepares drafts of official presidential speeches. It also prepares reports on events, gathers documentation related to public life, makes arrangements for public events and celebrations under the auspices of the president (such as the commemoration of the Warsaw Uprising or the liberation of Oswiecim [Auschwitz]), provides support service for seven presidential councils, and performs other special assignments. It also draws annual reports on the initiatives and achievements of the president and the presidential office.

Of the 15 people employed in the Political Operations Bureau, eight are primarily involved with writing. They modestly speak of themselves as writers for the president and say they have chosen good pen names for themselves. Their style reflects that of Walesa, such is the accepted standard and that is required of them. Everybody knows that quotes from famous authors or poets are out, and likewise: high-brow speech, difficult or foreign-sounding expressions, such as "magnificence."

The president likes texts that are concise, to-the-point, with short sentences, and with a clear message. It is fine if the text goes against customary usage, e.g. a congratulatory letter does not offer congratulations. The staff tries to adapt itself to the demands with which it is tasked. The expression: "I toss out ideas, you catch them," now a classic saying, is a pointer for the writers to follow.

Sometimes a text written in the bureau is sent back from the Belweder with a note saying that it does not reflect the problem. They then have to make revisions. When the draft has been accepted, the team enjoys a feeling of satisfaction.

A text that is accepted, however, will not necessarily be used in a speech that is delivered. As was the case with the New Year's message. After receiving instructions, the team asked the president what he thought the message ought to contain. They were told it should be nice and clever. They tried to meet that goal. Though the text received the president's approval, only a three-sentence-long message was actually delivered to the nation.

The speech the president gave at a recent meeting with caucus leaders also originated in the bureau. It was a expansion of another prepared speech which the president unexpectedly decided not to use.

It also happens that Walesa departs from the actual text, expands on a topic, or adds his own ending. That is something that cannot be foreseen. Some time ago, Andrzej Zakrzewski, minister-secretary of state and head of the Presidential Assistance Bureau, told us: "I sometimes feel as though I could crawl under the table then. It happens that within one given day I might hand in my resignation five times." The bureau is not responsible for the president's willfulness—or "folk poetry"—as it is referred to here.

Texts with insertions made "en route" in the press office or in the president's office have been returned to their authors. Minister Zakrzewski has reportedly flatly insisted on having such practices stopped. And so they have.

Zakrzewski, a minister-secretary of state, is ranked in the Chancellery hierarchy below the ministers of state—the head of the Chancellery Janusz Ziolkowski and the head of the President's Office—Mieczyslaw Wachowski. He is admired for his independence, resolution, and reasonableness. Most of his staff accompanied him to the Chancellery (or joined the team because of him). They have known him for a long time from his previous jobs as an editor and research worker at scientific institutes. Besides—Zakrzewski is a popular figure in Warsaw—a lawyer, formerly employed in the Institute of History of the Polish Academy of Sciences, cofounder of the Discourse and the Future Group, and coauthor of all the group's reports. Tied with the "Solidarity" movement since 1980, co-organizer of the Reconciliation Committee of Professional and Scientific Associations, secretary of the Advisory Committee to the chairman of "Solidarity." He is now 54 years old and has worked in the Chancellery since 1991.

Now, after the resignation of Lech Falandysz, a certain feeling of uncertainty can be sensed in Zakrzewski's office: Will their boss stay? The reason, well-informed sources say, is that when Zakrzewski was in a conflict situation and handed in his resignation, Falandysz declared his support. The two men are friends. What will be the outcome, now that the situation has reversed itself?

Zakrzewski's position in the Chancellery seems to be strong and unchallenged at present. "He has been a frequent guest at Walesa's table" we have heard. That means he is invited by the president for lunch. Questioned about Wachowski some time ago, Zakrzewski said: "There have been no more than three instances in which I was in conflict with him." Only three instances—because their scopes of responsibility were defined so that each has his own to which to attend. It is difficult to assess however, what the position of each is in the unofficial ranking of Belweder officials, especially since the number of conflicts is rather on the rise.

A much-talked-about dispute in the fall centered around preparations for the celebrations commemorating the liberation of Oswiecim. Well-informed sources speak of Zakrzewski offering his immediate resignation. Earlier, there was disagreement after celebrations commemorating the Warsaw Uprising: It is said in the Chancellery that Zakrzewski was able to organize the anniversary in

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a flawless manner. And that couldn't have met with recognition. "To us, the fact that a person has been left out of an official delegation travelling abroad signals that that person has fallen into disgrace," close observers have pointed out to us.

"We then know who will get the boot soon." When Andrzej Zakrzewski did not accompany the president on his trip to Japan, they knew dark clouds had gathered over their boss's head. The reasons for disfavor are sometimes trivial: We have learned that Minister Zakrzewski was told to explain himself after having spoken to reporters, describing Wachowski as one who is merely an efficient manager of the presidential secretariat. It was thought he had belittled the role of the (then) secretary of state.

The fallout has been such, that in their boss's absence, employees of the Presidential Assistance Bureau prefer to avoid reporters. There is a silence in the corridors of the Chancellery; one can only see a group of carpenters restoring the historic staircase.

Regular employees of the Chancellery are not enthusiastic about the relocation from Wiejska street [location of the Sejm] to Krakowskie Przedmiescie street. The new building (the restored Namiestnikowski Palace) has no cafeteria, as the one on Wiejska street, the cheapest in town, nor any buffet or kiosk. They go to Wiejska street for lunch, or occasionally, across the street to the Ministry of Culture's cafeteria. The 12 Big Shots, as the bureau heads and directors are called, are believed to have privileges left over from communist times: special food, official cars, perhaps even shops hidden behind yellow curtains?

It is generally believed here that now is a bad time for writing about the Presidential Chancellery. The Falandysz case is still up in the air. Meaning, there is nobody to make decisions on whether or not to talk.

Lech Falandysz, the highest ranking representative of the Chancellery at the time, has said that he is waiting for a decision on his own resignation. It would not be appropriate now to supply even the smallest piece of information on his instructions. Whatever it is, be it the number of staff members or bureau expenditures—everything will be taken badly. Documents are, therefore, what is left for us. During the budget debate (held 2 December 1994) the Rules Committee in the Sejm voiced its surprise through the mouth of its chairman, by stating that the Chancellery's planned budget provides for 5 billion old zlotys [Z] for paper and computer diskettes, and cut those projected expenses by Z1 billion. It follows from this, that the Presidential Chancellery writes prolifically, though the social consequences can only be felt when the Constitutional Tribunal receives a new complaint from the president on the unconstitutionality of an act (five such instances in the previous year) or his opposition to a law that has been passed in the Sejm (nine instances in 1994).

No doubt a special kind of burden rests on the Legal Bureau of the Chancellery, responsible for overseeing the legislative process (the president receives a draft of every bill). Lech Falandysz recently stated publicly that the president does not have a full-fledged economic adviser. He does, however, employ 20 highly qualified lawyers, many with long professional records. Yet the president claims he has only five lawyers to assist him in his work. One gets the impression the boss does not even know how many professionally trained lawyers he has to meet his needs.

What is the frame of mind of the people working on the team creating the president's image? From behind the wall, put up to maintain discretion or out of fear or loyalty, voices can be heard that the dominant mood is not too good. The threat of losing a relatively well-paid and prestigious job (on average: twice the national average pay), shame and embarrassment at the rampant incompetence, disappointment of the people once personally associated with Lech Walesa—all that makes up the work atmosphere in that office. It is a known fact that not long ago the situation reached a point where the entire office staff of the bureau protested against backing a decision and work that were redundant, to say the least. Apparently, even the patience and docile nature of well-paid clerks has its limits.

Miroslaw Michalski too, the director of the Personnel and Awards Bureau, refuses to disclose information about the 12 VIP's in the Chancellery: Their age, what schools they attended, where they worked previously. "It may be an infringement upon their personal rights," he explains. "Besides, this way, one can obtain piecemeal clandestine information about the Chancellery."

"And what did you study in college, Director?" we asked, attempting to not infringe upon his personal rights.

Director Michalski's face lightens in a smile as he considers the question. He is 32, a graduate of the Army Technical Academy, an electronics and cybernetics engineer. He has also completed postgraduate studies in international affairs. He left the Army, where his work involved designing computer software, to work at the Chancellery.

Our conversation picked up when we started talking about awards. "The situation with crosses of merit is good," reckons Director Michalski. Last year 7,500 were awarded. Yet, in terms of sheer numbers of a particular civilian medal awarded, those for long periods of marriage come first. The president has presented the award to 9,000 couples. But the spate of work is just about to start: Legislation stipulates that 8 May is the last day for awarding commemorative war medals. There will be several hundred thousand applications to review at the bureau.

But, returning to personnel issues: The turnover of staff in the Chancellery is related, as it is everywhere else,

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Director Michalski believes, to natural causes. Even hasty departures are nothing special. If the president fires somebody, he has reason for doing so.

Clerks (presently and formerly employed here) think otherwise: After all, it was not by chance that the phrase "the president's fenders" was coined here.

Apart from the official division of responsibilities, based on which the head of the Chancellery is in charge and runs the operation—there is a hidden, unofficial mechanism in the workings of the office. Who calls the shots there? Lech Falandysz made a clear statement when he explained the reasons behind his resignation. He pointed to the minister of state, Wachowski.

Not so long ago, Falandysz was reported as saying: "Wachowski is equated with all that is evil, is linked with even the most concocted stories, and simple nonsense about him is babbled."

True, the body of literature on Wachowski is almost as extensive as that on Walesa. Articles and books have been written about him. Wachowski has been accused of plotting against the president's men. It has been said he jealously guards his position so that nobody can shine next to Walesa. "Falandysz has stood out too much, he was all over the place, on television, on radio, and in the papers. Something Wachowski could not swallow," they say in the Chancellery. It has been written that Wachowski was a Secret Police agent, a KGB agent, and even a Mosad agent. He has been accused of obscure financial ties, and links with Army Intelligence. Wachowski has recently been implicated in the "Kolodziejczyk case" and the Drawsko affair leading to the dismissal of Defense Minister Kolodziejczyk. The prevailing opinion is that he has a hand in every staff decision made by the president.

Wachowski chooses to ignore the accusations. Though he did once say he is prepared to give up his post if there will be more meat on the market as a result. The Belweder has maintained a stubborn silence as well. The president once snapped back when questioned overintrusively: "Nobody will conduct my staff policy for me"—thus rejecting demands to have Wachowski fired.

Not long ago Falandysz himself defended the minister: "He is the ideal person for the president's assistant. An excellent organizer, with a knowledge of psychology. He takes 80 percent of the most difficult issues off of Lech Walesa's shoulders. I admire Mieczyslaw for his great psychological endurance and the ability to predict human reactions—to anticipate them." (Reprinted from the 11 October 1994 issue of DZIENNIK ZACHODNI.)

And then suddenly, what a change.

Andrzej Zakrzewski was also of the opinion that Wachowski the demon was a creation of politicians and journalists.

One of the former employees of the Chancellery, an acute observer, said of the minister of state: "Very sharp. Absolutely loyal." His view is that: "Mieczyslaw is the one who hustles people to work in the Chancellery." He also insists that Wachowski generally does not abuse his privileges (let us turn a blind eye to his commonly known weakness for cinder track racing events, to which he travelled in a specially chartered plane). He does not crash cars while drunk. He keeps away from the muck—something President Walesa hinted at before flying off to South America.

Up to now, the president has decided in Wachowski's favor in every row over personnel issues attributed to the minister of state. (That is why, as Jaroslaw Kaczynski says, there is no Wachowski case, but merely a Walesa case.)

"I am not sure if it is possible for Mieczyslaw to leave," Falandysz admits. Today he says: It's either me or Wachowski.

Nevertheless, things get somewhat tangled. Just before leaving for the transatlantic trip, Walesa basically showed his endorsement for the head of the Presidential Office by stating that the motives for discharging employees of the Chancellery were always justifiable. A high-ranking official of the Chancellery, who would like to remain anonymous, has informed us that the reason for Falandysz's dismissal is embarrassingly prosaic: It all had to do with an office car used by the wife of the deputy head of the Chancellery. Wachowski had the car taken away (he had full license to do so); next, the wife, driven by ambition, talked her spouse into assuming a firm stance. Thus, a political problem has come dangerously close to resembling a tabloid story. At that level, rational argument falls flat.

One can deduce from the opinion offered by another person from the Chancellery that Falandysz, after pondering over the statement made by the president at the airport, reconciled himself to defeat. To Walesa's choice in favor of Wachowski. People, who have known the first presidential lawyer closely, think they might have expected his discharge earlier. The letter written by a dozen "presidential fenders," including Jan Purzycki, Krzysztof Pusz, Marian Terlecki was supposedly to have put new life into Lech Walesa in the wake of a new election struggle.

As people behind the letter have said: "It was not correlated with the dismissal of Falandysz." Though they do not conceal the fact that they counted on the signatures of both the deputy head of the Chancellery and Minister Andrzej Zakrzewski. Regardless of later developments as a result of the letter, it is apparent that apart from the struggle with Walesa, a struggle for Walesa against Wachowski is slowly picking up.

Wachowski once jokingly said of himself: "Somebody has to hold it all together." (The Belweder? Poland? The World?) Today, one can reflect on what has given

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Wachowski his remarkable position. All the so-called well-known political figures have already spoken out on this subject, elaborating many theories. But the explanation may be very simple. In so-called well-informed circles, the predominant opinion is that it is not a question of his supposedly getting the edge with the president. Quite the opposite: Wachowski has swallowed the bait. Walesa, who is quite astute when it comes to understanding people's characters, has shifted all possible tasks onto him, so as to have more time for himself, for lounging around and working on crossword puzzles. It seems that to both gentlemen it is a mutually agreeable arrangement.

The Lineup

The most important person in the Chancellery is the president. He appoints the head of the Chancellery, the deputy heads (there is only one at present), the ministers of state, the secretaries and undersecretaries of state, and the general directors. This is the so-called Chancellery emergency squad with the largest say.

This "squad" is now made up of the following people: Janusz Ziolkowski, head of the Chancellery; Mieczyslaw Wachowski, head of the President's Office—both are also ministers of state; next, come the four secretaries of state: Lech Falandysz, deputy head of the Chancellery, Andrzej Zakrzewski, head of the Political Operations Bureau, Henryk Goryszewski, head of the National Security Bureau, and Andrzej Kozakiewicz.

The "squad" also includes four undersecretaries of state: Leszek Spalinski, the president's press spokesman, Andrzej Ananicz, Szymon Kociszewski, and Eligiusz Wlodarczak, with two general directors: Andrzej Gliniecki, director of the Legal Bureau, and Maciej Flemming, from the National Security Bureau. These 12 men govern the Chancellery.

The head of the Chancellery names the bureau directors, but from 13 July 1994, in conformity with a statutory amendment, he may do so only "by agreement" with the head of the President's Office, i.e. Mieczyslaw Wachowski. Twenty-four people serve as bureau or office directors and deputy directors, or as heads or deputy heads of separate groups (Jacek Lipinski, the former plenipotentiary for the Nonparty Bloc in Support of Reforms when the party was being formed, is one of their members). Mieczyslaw Wachowski, who himself is the head of the President's Office, as minister of state also runs his own office, the director of which is Maria Rymarowicz, employed in the Chancellery from the time Wojciech Jaruzelski was in power.

There are 11 bureaus and offices in the Chancellery: The President's Office, the Press Office, the Political Operations Bureau, the Organizational Operations Bureau (established six months ago), the Bureau for International Affairs, the Legal Bureau, the Office of the Head of the Chancellery, the Personnel and Awards Bureau, the Letters and Complaints Bureau, the Financial Bureau, and the Administrative-Technical Bureau.

Some of the bureaus, e.g. the Political Operations Bureau—have both a head (Andrzej Zakrzewski, in this instance), and a director (Andrzej Kojder, in this particular bureau, until recently, the chief expert there). Other bureaus, such as the Legal Bureau, only have a director, ranked as a general director (Andrzej Gliniecki, in this instance). In the structure of the Chancellery, the following offices also enjoy an autonomous status: the National Security Bureau, associated with the prerogatives of the National Defense Committee and the president himself; also, the Secretariat of the National Judiciary Council and the Bureau of the Social Committee for the Restoration of the Heritage of Krakow, which is budgeted for out of the Chancellery's budget. There are also tasks related to the servicing of 12 councils by the president of the Republic of Poland.

Rights and Tasks

The prerogatives of the head of the Chancellery (Janusz Ziolkowski) are defined in the statute in the following manner: "The head of the Chancellery, responsible for managing its work, is in charge of the Chancellery. The deputy heads of the Chancellery (Lech Falandysz) run the work of the Chancellery within the scope assigned to them by the head of the Chancellery, who gives orders and instructions, and makes the decisions."

The rights and tasks of the President's Office are as follows: "The President's Office will guarantee comprehensive support services to the president and will coordinate meetings attended by the president, carry out tasks resulting from instructions and assignments given by the president." The office, meaning, its head, i.e. Mieczyslaw Wachowski.

The president and his office is also involved with staff decisions outside the area of the Chancellery. These decisions relate to appointments to key positions in the Supreme Court and the High Administrative Court, to appointments of judges in civilian and military courts, of ambassadors, of the chief of the General Staff of the Army, the commanding officers of each branch of the Armed Forces, and each military district, the nomination of generals, admirals and to equivalent positions in the police, Border Guard, and Fire Brigade, and also the so-called execution of his rights with regard to the National Council on Radio and Television.

Medals and Conclusions

Each year, the Chancellery receives approximately 1,600 applications in the human resources area, and issues approximately 1,400 certificates of appointment to individuals. The Chancellery plans to organize 30 large appointment ceremonies in 1995. These are the external tokens of the prerogatives of power.

There are also other awards the Chancellery can bestow. Lech Walesa awarded approximately 50,000 of these in

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1994. The plans for 1995 are equally ambitious. Also planned is the conferring of banners to 250 military units.

How Much Does It Cost?

According to the 1995 budget, the expenditures associated with the administrative activity of the Presidential Chancellery provide for Z236.5 billion. The budget for salaries (and associated expenses) for 235 employees has been planned at the level of Z69.8 billion; the remaining costs of the operation of the Presidential Chancellery amount to Z166.7 billion.

Official Appointed To Oversee Economic Reforms

LD1403171695 Warsaw TVP Television First Program Network in Polish 1600 GMT 14 Mar 95

[Relayed by TV Polonia Network]

[FBIS Translated Text] The government has decided to appoint a plenipotentiary for reforming the economic center. Former Industry Minister Marek Pol has been appointed to this post.

Prime Minister Jozef Oleksy has said that the fact that Marek Pol is from outside the government coalition is of no significance. It is the qualifications, experience, and objective attitude that are important, the prime minister pointed out. The economic center will most probably be set up on 1 January of next year. There will be fewer ministers and officials. New ministries will be created—of the treasury, economy, public finance, and international economic integration. Some of the existing ministries will become part of the center.

Privatization Minister on Plans, Changes

WS1403153095 Warsaw RZECZPOSPOLITA in Polish 14 Mar 95 p 9

[Interview with Privatization Minister Wieslaw Kaczmarek by Ada Kostrz-Kostecka; place and date not given: "I Would Not Like To Be Accused of Being Greedy"]

[FBIS Translated Text] [Kostrz-Kostecka] The atmosphere surrounding privatization will most certainly be more favorable in this government than it was in the previous one. Is the rate of privatization going to be faster, then?

[Kaczmarek] The rate of privatization does not depend on the good will of politicians, even though it certainly is an important factor. It also depends on the demand, that is, on whether there are investors who can see a possibility of doing good business in Poland. This government has not been in office long enough to be able to evaluate the atmosphere surrounding privatization. It is a fact, however, that at one meeting Prime Minister Oleksy was encouraging me to speed up privatization. He believes that two areas are most important—all kinds of varieties of mass-character programs, which would make it possible to resolve a couple of problems: giving state-owned property to the people [uwlaszczenie spoleczenstwa], reforming the insurance system in line with commercial principles, paying out compensations, and reprivatization.

[Kostrz-Kostecka] Does this mean that, in the case of reprivatization, you will return to the old ministerial concept: the Law on Compensations?

[Kaczmarek] This must yet be discussed by the present government. However, this law would undoubtedly be a good starting point for further work. Nonetheless, included in this law should also be regulations concerning pharmacies and means of inland transport, such as barges. There must also be a provision making it possible for former owners of property—being administered incompetently at the moment—to get it back.

[Kostrz-Kostecka] The program of the National Investment Funds [NFI] is only just getting started and with delays at that. Still, there is already talk about copying it [as published]. Distribution of share certificates will not begin before September or October. Is there a chance, then, of obtaining 400 million zlotys [Z] (4 trillion old zlotys) from the sale of public share certificates? This sum is included in the budget law.

[Kaczmarek] If we look at this from the viewpoint of state budget revenues, it is important to know when the distribution will be completed. Incidentally, we must still clarify the following issue: whether the finance minister had in mind gross or net revenues, that is, revenues after deducting the costs of distribution. We must take into account the possibility of shortening the period of distribution of the certificates. I still hope that we will manage to carry out the operation by the end of 1995, even though we are concerned about the possibility of lines forming in front of distribution sites. Lines, the nervous atmosphere caused by inaccessibility of the shares—these are things that the program really does not need. Therefore, we must decide what is more important: meeting budget commitments or peacefully distributing the shares.

[Kostrz-Kostecka] When can we expect further mutations of the NFI program?

[Kaczmarek] It is extremely urgent to resolve the following problem: How to meet budget commitments? As a result of the ruling handed down by the Constitutional Tribunal, the budget must return nearly Z10 billion to citizens. This is more than the book value of the companies that have been included in the NFI program. This will be the purpose of the second stage of the NFI program. The third and the fourth stage will consist of setting up, with the help of the Labor Ministry, a commercial insurance system, that is, retirement investment funds, equipped with some "starting capital" in the form of companies.

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[Kostrz-Kostecka] These programs will compete with capital privatization. The amount of state-owned property is limited, after all.

[Kaczmarek] These programs will largely compete. This means that in 1996 and in the ensuing years the rate of the capital privatization will decrease, which does not mean, however, a drop in the rate of ownership changes: a new privatization method is being developed—conversion of debts into shares. However, there will be less cash for the budget—this is also because we will try to limit budget revenues yielded directly by the sale of shares. At the same time we will try to see to it that more money remains in companies.

[Kostrz-Kostecka] How about this year? Is there a chance to obtain Z1.5 billion from capital privatization? What will determine these revenues?

[Kaczmarek] We are planning to complete privatization processes in several industry branches, such as cement, beer, machines and electrical appliances, tire, and fat industry, as well as in the cable sector. Moreover, we are also planning to begin and, I hope, complete privatization in the sector of noniron metals and in the tobacco industry. As for better-known companies of other industry branches, I could mention Polfa in Poznan and Krakow, Winiary, Ruch. All this lets us believe that revenues of Z1.5 billion are quite realistic.

[Kostrz-Kostecka] What place will privatization occupy after the reform of the economic center? Apart from the problem of selling companies and setting prices, there is also the problem of running the companies that remain in the hands of the State Treasury.

[Kaczmarek] Regarding reforming the center, you should direct this question to Minister Marek Pol. At the beginning ownership supervision in our ministry was not envisioned at all; only after some time was this idea developed. Undoubtedly, out of many existing offices, this ministry has the most reasons to believe that it should be the basis of a treasury ministry. However, I would not like to be accused of being greedy.

[Kostrz-Kostecka] The question about who will administer the property of the State Treasury is also a question of how commercialization will be implemented. How will this program be implemented?

[Kaczmarek] That is not known yet. There are two options: either to carry out commercialization as quickly as possible, through a "mass" method, or to carry out gradual commercialization of those companies which do not qualify. I am rather inclined to approve the latter, because we have already acquired some experience related to exercising ownership supervision, and we know how many problems this entails. Also, such commercialization would lead to gradual privatization, for example, inclusion of companies in investment funds.

[Kostrz-Kostecka] An amendment to the Privatization Law is being prepared. What is it going to change in privatization processes?

[Kaczmarek] We want to amend the Privatization Law as soon as possible. The draft amendment was submitted to the Council of Ministers last April, but work on it was discontinued due to the commercialization program that is being prepared. It introduces, among other things, the principle of giving free shares to employees; however, there is also a provision that prohibits the sale of these shares in the case of public offers. Moreover, it envisions the introduction of managerial contracts, as well as regulations changing the principles of direct privatization and favoring the quick sale [of state-owned companies] and [the establishment of] employee-owned companies.

Head of Intelligence on Openness, Activities

WS1503083095 Warsaw POLSKA ZBROJNA in Polish 14 Mar 95 pp 1-2

[Interview with Brigadier General Gromoslaw Czempinski, head of the Polish Office of State Protection, by Mariusz Jedrzejko; place and date not given: "We Will Not Be a 'Paradise for Spies'"]

[FBIS Translated Text] [Jedrzejko] The words "intelligence," "spy," "counterintelligence" always cause a shiver to run down our spines. Can we still speak of "classical" spies in this age of electronics and easy access to information?

[Czempinski] Yes, we can—not only today, but also in the future. Let me give the example of one of the former heads of intelligence from a superpower. He always repeated that we can easily locate, for instance, a bridge on a river using a satellite, but only a man can ascertain its technical condition and whether a tank can drive over it.

Electronics and computers are widespread in present-day intelligence activities, especially via satellite. One may hastily assure, however, that as far as intelligence is concerned, even the most advanced technology is incapable of penetrating nooks and safes full of secrets, protected by... the same advanced technology. The human being remains crucial to intelligence.

[Jedrzejko] Analysts and journalists dealing with intelligence issues now claim that the "electronic euphoria" is over, classical forms of intelligence contacts are staging a comeback.

[Czempinski] We are witnessing the revival of classical intelligence methods, such as recruitment of agents. This and other practices make it difficult to procure evidence sufficient for bringing forth charges of treason. That is why we are undertaking large-scale analyses and operations targeted at identifying potential sources of danger.

[Jedrzejko] Although the moral and political evaluation of intelligence is not unequivocal, no one gives up this form of gathering information.

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[Czempinski] Intelligence has always been widespread. Only in the beginning of the 19th century did it begin to take on the form of an organized institution incorporated within the state administrative system.

Currently, its range and position in the state hierarchy depends on the size of the country, its policy, the level of interest in a particular region, and global interests. Since no country has only friends, finding out what potential enemies are doing remains particularly important.

Let us remember that we are establishing our democracy in the most strategically sensitive place in Europe. We thus need good information, not only official.

[Jedrzejko] How do you thus view the role of intelligence in securing state interests?

[Czempinski] An intelligence service should be responsive and inform the government of any emerging threats. It should also identify certain phenomena and seek possibilities for solving problems crucial no longer exclusively from the point of view of the Polish raison d'etat, but also on a supranational level, for instance the fight against terrorism and organized crime.

The aim of intelligence is also to support the state's foreign policy, and guard security and Poland's political and economic interests in foreign relations. Operations carried out by the intelligence service also focus on the identification of potential or existing dangers to the transformation processes taking place in Poland. I can honestly tell POLSKA ZBROJNA readers that intelligence plays a very important role in integrating our countries with the West and in shaping a favorable image of Poland.

[Jedrzejko] The process of political and economic transformations was accompanied by a great degree of openness. Frankly speaking, there is not much left to hide. Do you not think that we went too far with that openness?

[Czempinski] It is true that the process of political and economic transformations has brought about a huge openness of information, not always desirable. In our country and our economy there are issues which require protection. We are being infiltrated by specialized services of other countries. It is a top priority to establish a system of protecting the national economy and Polish scientific achievements.

[Jedrzejko] Many journalists claim our country has become a "paradise for spies." What does the Office of State Protection [UOP] say to that? What do you see as the major threats?

[Czempinski] From the point of view of protecting the economic interests of state, the greatest threat are irregularities in the privatization process, the banking system, and in the customs and tax system, all of which are enhanced by loopholes in our economic laws. We are also witnessing a growing tendency to disregard state secrets. The corruption of state officials and officers also pose a threat.

[Jedrzejko] Organized crime is creeping ever more intensely into Poland. According to the prosecutor general, we are the target of intense penetration and a site of laundering so-called dirty money.

[Czempinski] This is one of the most difficult phenomena to detect. It is estimated that approximately $800-900 trillion is laundered annually around the world. In the end of the 1980s, a heightened interest of foreign crime organizations in our country was observed. This was enhanced by the economic transformations, the liberalization of currency exchange regulations, the freedom of economic activities, and loopholes in the financial and legal systems. Measures necessary to counteract these processes include a reform of the legal and banking systems. We believe that UOP and the police, to counteract these phenomena effectively, must be authorized to conduct controlled sales. This method is indispensable in the fight against drug smuggling and the drug trade.

[Jedrzejko] I understand you cannot give me examples of where operations led to the interception of agents or the discovery of viable threats. Could you please tell me, however, whether your reports evoke any reaction from the decisionmakers?

[Czempinski] Your question has two aspects. I have reason to believe that our reports are carefully read and serve as an aid in making or coordinating decisions which are important to the entire country.

That is the first aspect. The second one is very sensitive. Detaining an agent and handing him over to the justice administration does not always solve the problem. Personally, I advocate the method: ascertain—locate—neutralize. Applying this method, we were able to compile a list of several dozen people having connections with foreign intelligence services, instead of just sentencing two or three agents.

[Jedrzejko] No one compiles such rankings, but it is generally said that most dynamic are the U.S., Israeli, French, and British intelligence services. Western media signal that Russian foreign intelligence services are on the "offensive." What does the head of the Polish secret services have to say about that?

[Czempinski] It is difficult to give a clear-cut opinion on such issues. All the intelligence services you mentioned are effective. It must be added that their power is closely related to the ties they have with society. Without the support of our own citizens we cannot be very effective. We need time for society to realize that. Yet we are on the right path—reaching the ideal requires time, but it does bear fruit. I have grounds to claim that Polish secret services are acclaimed in the West and East alike.

[Jedrzejko] What are the characteristics of an ideal candidate for the secret services?

[Czempinski] Candidates for the secret services should meet adequate psychological and physical requirements.

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Higher education and the knowledge of at least one foreign language are a must. Talent is indispensable. The knowledge the candidate will acquire and the technical means he will have at his disposal will not replace the ability of autonomous thinking, unburdened by routine and slogans. It is personality that counts, that "something" that is just as necessary as anywhere else. Real, expert skills guarantee the day-to-day effectiveness of the secret services. Matched with talent—of which there is never too much—they bring true success.

[Jedrzejko] In 1990, Polish intelligence had nearly 90 percent of its agents posted abroad. I will not ask you to confirm this information, but what is the situation today?

[Czempinski] After attempts at turning the secret services into a political instrument and the so-called Macierewicz files [lustration], which have done harm to the Polish raison d'etat, many of our cooperators left.

We are currently reconstructing that group, as the highest state officials must receive and verify information pertaining to the Polish interest of state. In this regard, I am cautiously optimistic.

[Jedrzejko] Thank you for the interview.

Poll Shows Loyalty to Political Camps

WS1403150695 Warsaw GAZETA WYBORCZA in Polish 14 Mar 95 p 2

[Article by (knysz): "OBOP: Political Stability of Affection"]

[FBIS Translated Text] The Democratic Left Alliance [SLD] occupies the highest place on the election ranking list—every fifth Pole who is going to vote in the parliamentary elections wants to support this party. We are loyal to broader political camps rather than to parties.

SLD has been steadily going up on the list since autumn: electoral support for SLD increased from 15 percent in November 1994 to 21 percent in March 1995.

At the same time the Polish Peasant Party [PSL] was losing support at the same rate: voters ready to support the peasant party became less numerous—from 24 percent in October 1994 to 13 percent in March 1995.

The Freedom Union, with 11 percent of support, continues to occupy third place. The support for this party has hardly changed since last summer.

Support for the Union of Labor doubled between October 1994 and March 1995: it increased from 5 to 11 percent. A reverse process was observed in the case of the Nonparty Bloc in Support of Reforms. Since last autumn it has been losing support quite steadily and in March only 2 percent of the voters were ready to vote for it.

The Center for Research on Public Opinion asked in general about the extraparliamentary right wing (the Center Accord, Polish Peasant Party-Peasant Accord, Movement for the Republic, Secretariat of Center Right Groupings, Union for Real Politics, Christian-National Union). Today every 10th Pole would vote for all these parties.

Even though support for individual parties is changing, Poles remain loyal to broader political camps. The largest group of respondents (37 percent) are those who are unable to express their political views. Every fourth respondent sympathizes with the SLD-PSL coalition, and 12 percent—with the rightist opposition.

The president and the liberal-democratic opposition have 10 percent of support each. The leftist opposition can count on 7 percent of support.

Poles' Political Sympathies
(in percent)

SLD-PSL coalition	24
Rightist opposition	12
The president	10
Liberal-democratic opposition	10
Leftist opposition	7
Undefined	37

* * *

The poll was conducted on 7 March on a representative sample of 1,022 adult Poles.

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UDMR Organizes 15 Mar Commemoration Events

AU1403145995 Bucharest EVENIMENTUL ZILEI in Romanian 11 Mar 95 p 4

[Article by Bodgan Eduard and Cora Munteanu: "The Hungarians Are Making Preparations for the Anniversary of Hungary's National Day on 15 March in Transylvania"]

[FBIS Translated Text] Cluj Prefect Grigore Zanc and the leaders of the UDMR's [Democratic Union of Hungarians in Romania] Cluj Branch held a meeting at the Cluj Prefect's Office yesterday, 10 March, at 0930. The parties discussed the anniversary of Hungary's national day in Cluj Municipality.

Lajos Molnos, president of the Cluj Branch of the UDMR, told our newspaper: "For the past five years, we have celebrated the date of 15 March every year. There has always been tranquility and there has not been any kind of trouble. That is the way it is going to be this year as well. We will lay wreaths at the plaques commemorating Sandor Petofi and Nicolae Balcescu [Hungarian and Romanian writers, figures of the 1848 revolution] and in the evening an ecumenical service will be held at St. Mihai Cathedral. Moreover, we do not intend to hoist the Hungarian colors: red, white, and green. As a matter of fact, in order to be a good patriot and a good Hungarian, you do not need to wrap yourself in the national colors from head to toe."

Prefect Grigore Zanc told us that: "On Hungary's national day, we will take care that public order and the framework mentioned by the UDMR leaders is respected in Cluj."

It is worth mentioning that in the evening of 9 March, after the conclusion of the meeting of the UDMR's Executive Presidium, Csaba Takacs, the UDMR's executive president, stated that "on 15 March, in places where commemoration ceremonies are going to be organized, the red, white, and green colors will certainly be hoisted—which, however, is not Hungary's flag [not containing the arms of the Hungarian Republic]."

In the town of Targu Mures, the UDMR is also preparing to celebrate 15 March. The UDMR's Mures branch has organized every minute of the events. Thus, the speeches of political leaders will last for "precisely 14 minutes," and half of this time will belong to UDMR President Bela Marko.

"We have realized that a lot of money is being spent on wreaths that are laid on various occasions. Therefore, we decided that this year we are going to lay only one or two wreaths. The rest will be bought back for a certain sum that is going to be deposited in a fund that will be used later for charity," said Attila Zonda, president of the Mures branch of the UDMR.

The events are authorized and will take place between 1600 and 1800. After the ceremony at the Monument of Martyr Szecklers, all the participants will attend religious services in Catholic, Reform, Protestant, and Unitarian Churches.

UDMR Rejects Call To Cancel Ceremony

AU1503065095 Bucharest Radio Romania Network in Romanian 1400 GMT 14 Mar 95

[FBIS Translated Text] At the invitation of Gheorghe Funar, mayor of Cluj-Napoca Municipality, a meeting took place this afternoon with the representatives of the local branches of the Vatra Romaneasca Union, the Romanian National Unity Party [PUNR], the Avram Iancu Cultural Society, and the Alfa Trade Union Cartel, as well as of the local branch of the Democratic Union of Hungarians in Romania [UDMR], who asked for authorization to hold commemorative manifestations and other demonstrations in favor of various social assistance claims tomorrow, 15 March. Funar told them that, in accordance with Article 5, Paragraph 2, of Law No. 60/1991, and given the special nature of the day in question, he had decided to ban all public manifestations running counter to constitutional provisions.

While the representatives of the Vatra Romaneasca Union, PUNR, Avram Iancu Society, and the Trade Union Cartel have said that they will conform to City Hall's decision, the representatives of the local UDMR leadership reiterated the legality of the commemorative program scheduled to take place tomorrow, 15 March, in honor of the anniversary of the 1848 Hungarian Revolution. In this connection, they made reference to yesterday's communique by Cluj City Hall, which regards the ceremonies as being within the constitutional framework.

The UDMR also announced that representatives of the Hungarian Government, the Hungarian Embassy in Bucharest, and the Swedish Embassy will be among the participants in the commemorative manifestation tomorrow.

Gheorghe Funar renewed his call to the UDMR to renounce organizing this manifestation, but the UDMR representatives firmly sustained their viewpoint—even though, as the Cluj mayor pointed out, the police will be called to intervene in force.

The final message from both sides was that no satisfaction will be given to those who wish to incite the population and cause public disorder in Cluj-Napoca on 15 March, our correspondent Teodor Mateescu reports.

Iliescu Said 'Fed Up' With Funar Statements

AU1403150695 Bucharest ADEVARUL in Romanian 11 Mar 95 p 1

[Mediafax report: "I Am Fed Up With Mr. Funar"]

[FBIS Translated Text] President Ion Iliescu stated on Friday, 10 March, that the latest statements made by the PUNR [Romanian National Unity Party] President

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Gheorghe Funar "are his own business, nobody else's." "I am fed up with Mr. Funar," said Ion Iliescu at Otopeni Airport on leaving for Copenhagen to attend the proceedings of the summit conference on social development. PUNR President Gheorghe Funar spoke out vehemently on Thursday, 9 March, against the signing of the Romanian-Hungarian treaty in its current form, threatening the PUNR's withdrawal from government.

Opposition Parties Oppose Privatization Law

AU1403184095 Bucharest ROMANIA LIBERA in Romanian 8 Mar 95 p 3

[Article by Ana Maria Vintan and Dorina Baescu: "The Opposition Will Notify the Constitutional Court"]

[FBIS Translated Text] The general debate on the law on accelerating the privatization concluded in the Chamber of Deputies yesterday and was followed by discussions on the various articles. The most interesting and substantiated speeches were made by Varujan Vosganian [chairman of the Union of Armenians From Romania] and Dinu Patriciu [leader of the Liberal Party 1993-PL '93]. The deputies from the Social Democracy Party of Romania [PDSR] listened in astonishment to the speeches, knowing that what the two were saying was perfectly valid, but at the same time feeling obliged to deride them, too.

Varujan Vosganian criticized the government, and particularly Mircea Cosea [chairman of the Council for Economic Coordination, Strategy, and Reform], who was present in the Chamber, for being unable to present a single legislative initiative on privatization since 1992, except for the law on the stock exchange, which was also poorly conceived and only for the eyes of the outside world.

"The stock exchange does not function and will not function because the political will is lacking," Varujan Vosganian said. He accused Mircea Cosea of allowing himself and the council he heads to be marginalized. If, at the start of his mandate, Minister Cosea announced proudly that he will do this and that, now he is a mere appendix of the State Property Fund [FPS]. With 12 representatives in the FPS management, the government and the parliamentary majority would have been able to impose, had they wanted to do so, any decision on speeding up the privatization process. But they did not want to. In conclusion, Vosganian said the draft law has now been finalized and the PDSR is doing everything possible to have it passed, in order to gain electoral capital and create the illusion that it is offering the people something.

If Varujan Vosganian spoke like a politician, presenting the problem in its overall aspect, Dinu Patriciu tackled it as a businessman. He drew up a balance sheet of the gains and losses to be incurred by the law in its present form, proving that it is doomed to failure. He even put himself in the PDSR's shoes, saying that he understands the PDSR's desire to win the elections at all costs. But, he said, it could have achieved that goal in a manner more intelligent and profitable for both the party and the country. In other words, if it still wants to create the impression of equity, the government can issue a new series of ownership certificates, but they should be of the same type as the first. The government will thus avoid the appearance of several types of bonds, since this agglomeration will only increase the chaos in the sphere of privatization. Likewise, since the people do not really understand much about these certificates, they will sell them, as they did with the first ones. The end result will be exactly the kind of situation that the law claims that it wants to avoid—namely: the rapid enrichment of a small category of people, to the detriment of others.

In conclusion, the PL '93 leader asked that the draft law be withdrawn and another solution negotiated. If this does not happen, he will notify the Constitutional Court, which, if it finally understands its role, will not permit the promulgation of this profoundly unconstitutional law.

Groups Considered To Have Officially Left CDR

AU1503111395 Bucharest Radio Romania Network in Romanian 0500 GMT 15 Mar 95

[FBIS Translated Text] During yesterday's meeting of the Executive Committee and Council of the Democratic Convention of Romania [CDR], the decision was reached to consider the Liberal Party '93 [PL '93], as well as the Civic Alliance Party [PAC]—which did not sign the new [17 February] CDR Protocol—as having withdrawn from the CDR.

The declaration issued to the press after the meeting emphasizes that the CDR's steering bodies took note of the officially made statements made by the liberal political group, which has split off from PL '93 and the initiative group for liberal reunification, which has split from the PAC—groups that decided to stay in the CDR and act to set up a single liberal party within the CDR.

The representatives of the two CDR-member liberal parties—that is, the PNL [National Liberal Party] and the PNL-CD [National Liberal Party-Democratic Convention], as well as those of the two aforementioned liberal groups, agreed that the deadline for setting up the single liberal party within the CDR should be 31 May 1995.

Our correspondent Elena Perdichi also reports that the CDR communique, which was presented to the press by CDR President Emil Constantinescu, mentions the fact that the opposition alliance wishes to continue to cooperate with the parties that withdrew from the CDR and expresses its hope of finding ways to take joint action in Parliament and in the local councils.

The coordination committee of the Civic Alliance [a civic association] held a meeting yesterday, after which it announced that it withdraws the moral and political

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credit given the PAC, as a consequence of that party's decision not to sign the CDR Protocol. Our correspondent reports that in the declaration issued yesterday the Civic Alliance expresses its solidarity with the PAC parliamentarians who asserted their wish to remain faithful to the CDR.

During a news conference yesterday PL '93 leader Dinu Patriciu pointed out that according to the regulations, the lawmakers who resigned from that party, members of the civic-liberal parliamentary faction, cannot go on being members of that faction, because the minute they resigned from the party they automatically became independent parliamentarians. Our correspondent Maria Cristea reports that Ludovic Orban, a member of the PL '93's steering committee, said 16 members have left the party.

In an interview granted to our reporters upon returning from Germany, Corneliu Coposu [president of the National Peasant Christian-Democratic Party, PNTCD] said that the latest events that took place within the CDR represent a useful clarification for the future of the CDR. In the opinion of the PNTCD leader, this clearing up of things within the CDR will allow the commencement of the effective organization of the electoral campaign and the finalization of the CDR government program, the alternative offered by the opposition political alliance.

During a news conference yesterday, referring to the recent evolutions within the CDR, Oliviu Gherman, president of the Social Democracy Party of Romania [PDSR], said that the dissolving of the CDR could be anticipated, since that alliance is no more than an electoral cartel. He also said that the PDSR is keeping a close watch on the way in which that part of the political spectrum evolves, since the existence of a strong opposition lies in its interests.

Our correspondent Tudor Stanciu reports that during the same news conference, Gherman reasserted the PDSR leadership's determination to amplify their actions intended to reveal, counter, and wipe out corruption, regardless of the level at which it is found.

Party Official on Corruption, Commemorations

AU1503122995 Bucharest ADEVARUL in Romanian 11 Mar 95 p 2

[Article by Constantin Coroiu: "Following Pressure From Cotroceni, the Ruling Party Has Begun Spring Cleaning"]

[FBIS Translated Text] Ion Solcanu [vice president of the Social Democracy Party of Romania, PDSR] said in Iasi yesterday that starting next week, the PDSR's Standing Delegation is to examine "every indicated case of corruption," and take the necessary steps. In answering to the question of an ADEVARUL correspondent, he implied that the party is planning a "cleanup action" within its ranks, which, concurrent with other measures, is intended to promote a correct image of the PDSR—which is not always identical with the image in the media.

Regarding the ceremonies planned for 15 March in Transylvania, Solcanu pointed out that the exaggerated interest in certain Transylvanian regions exhibited lately by both the foreign and domestic press could in itself be interpreted as evidence of someone's wishing to achieve destabilization—since the conclusion of the basic treaty with Hungary does not suit everyone. However, the government will take the necessary measures, in accordance with the country's laws, to avoid a repetition of the 1990 tragedy [interethnic clashes in the city of Turgu Mures].

Referring to the 50,000 people who will allegedly come from Hungary to attend the 15 March ceremonies, Solcanu said that while observing the people's right to travel freely, they will monitor the preservation of public order and peace. "We had a lot of tourists in December 1989 as well," Solcanu reminded reporters.

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Social Democrats Support Federation Agreement

AU1403180495 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 14 Mar 95

[Report by Samir Huseinovic]

[FBIS Translated Text] The statement of the Union of Bosnia-Herzegovina Social Democrats [UBHSD], issued at a press conference today, stressed the party's support for agreements reached between the Party of Democratic Action [SDA] and the Croatian Democratic Community [HDZ], whose goal is to speed up the implementation of the Washington Agreements.

The strengthening of international engagement in [word indistinct] as a strategic interest of Bosnia-Herzegovina citizens, will without doubt [words indistinct] the process of implementing the Bosnia-Herzegovina Federation. The UBHSD will ask Robert Owen, the arbiter appointed to the Bosnia-Herzegovina Federation, to see to it that electoral results are strictly observed in setting up the transitional cantonal assemblies, as well as to secure the strict division of authority into the legislative and executive in the existing federal bodies.

As far as the disappearance of General Santic, commander of the Croatian Defense Council for the Bihac region, is concerned, the UBHSD supports the civilian and military authorities' activities aimed at resolving this unfortunate case. Quick and effective action by the legitimate authorities on this case will have a broader political significance for the further process of implementing the Washington Agreements. The UBHSD sees the change in the UN forces' mandate regarding the future control of the border between the Republic of Croatia and the Republic of Bosnia-Herzegovina in the northwest of our state as politically beneficial for Bosnia-Herzegovina. On this occasion, the UBHSD once again called on the Presidency carefully to analyze the UN Protection Force's activities in Bosnia-Herzegovina and to submit to the Assembly concrete proposals for improving the UN mission in Bosnia-Herzegovina.

Pejanovic: Federation 'Solution' to National Issue

AU1403205695 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 14 Mar 95

[FBIS Translated Text] Mirko Pejanovic, member of the state presidency and president of the Serbian Civic Council of Bosnia-Herzegovina, has sent a letter to Austrian Foreign Minister Alois Mock and U.S. Ambassador to Austria Swanee Hunt in response to their invitation to attend the convention on the Bosnia-Herzegovina Federation that took place in Vienna today.

Expressing his regret at not being able to attend the convention due to earlier obligations, Pejanovic goes on to say:

The Serbian Civic Council of Bosnia-Herzegovina represents the interest of some 200,000 Serbs that live in the Bosnia-Herzegovina Federation on issues pertaining to the defense of an integral Bosnia-Herzegovina and the achievement of a political solution to the war. The Serbian Civic Council believes that the Federation project is a model for peace between the Bosniak and the Croatian people, the maintenance of a multiethnic and pluralist structure, and the reintegration of Bosnia-Herzegovina.

Since the Bosnia-Herzegovina Federation is a model for equal relations between the Croatian and Bosniak peoples, the Serbian Civic Council believes that the resolution of the position of Serbs living in the Bosnia-Herzegovina Federation on issues of national equality is of a strategic significance for achieving the model of equality of the Croatian, Bosniak, and Serbian people throughout Bosnia-Herzegovina. We believe that the search for a solution that would move in this direction—and the Serbian Civic Council has already submitted an amendment to the assembly—would include the Serbian people in the Federation within the framework of a comprehensive peaceful solution, ends Mirko Pejanovic's letter addressed to Austrian Foreign Minister Alois Mock and U.S. Ambassador to Austria Swanee Hunt.

Akashi Conveys Pale's 'Ideas' to Izetbegovic

AU1403200795 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 14 Mar 95

[FBIS Translated Text] Following his stay in Sarajevo and talks with the Bosnia-Herzegovina state delegation, Butrus-Ghali's special envoy Yasushi Akashi held a news conference at Sarajevo Airport. "Last night's talks with representatives of the Pale regime have not yielded any results in attempts to free two kidnapped correspondents," Akashi said. "I asked this question to see whether there is any chance of freeing the incarcerated correspondents. I have to admit that I was unable to achieve an appropriate result last night," Akashi said and added that despite being disappointed, he is still not giving up.

"Of course, I face disappointments, but I reject the possibility of giving up on our efforts, which have to be continued in order to lessen the tension and the suffering of the local population. In connection with this, I talked to representatives of the Bosnia-Herzegovina Government and the Bosnian Serb leaders in Pale in an attempt to organize a meeting of the central and regional joint commissions, as stipulated by the agreement. I have just talked with President Izetbegovic and I have conveyed to him the Serbian side's ideas. We shall convey new ideas to Karadzic, and I believe that it is in the interest of all sides for negotiations to resume as soon as possible, because we fear renewed fighting if something is not achieved within the next two to three weeks," Akashi stressed. The special envoy then confirmed that the reopening of the blue routes is a condition for resuming negotiations.

The news conference ended Akashi's two-day visit in Bosnia-Herzegovina.

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HDZ Protests 'Inexplicable Silence' Over Santic

AU1403173095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 14 Mar 95

[FBIS Translated Text] Dario Kordic, president of the Croatian Democratic Community [HDZ] of Bosnia-Herzegovina, has sent a protest note to Alija Izetbegovic, president of the Party of Democratic Action, the embassies of the United States, Germany, Turkey, and Austria in Bosnia-Herzegovina, UN Secretary General's special envoy Yasushi Akashi, and the UN commander in Bosnia-Herzegovina. The note reads as follows:

Five days have passed since the initial news of the arrest of Croatian Defense Council General Vlado Santic by members of the 5th Corps of the Bosnia-Herzegovina Army, yet the relevant civilian and military authorities in Bosnia-Herzegovina have not come up with an answer regarding the fate of Mr. Santic, which only heightens suspicion that the worst has happened. The Presidency of the HDZ of Bosnia-Herzegovina sharply protests against yet another unclear incident— the arrest of Gen. Vlado Santic—and the inexplicable silence of the relevant civilian and military authorities of Bosnia-Herzegovina.

The Presidency of the HDZ of Bosnia-Herzegovina demands an urgent response by the relevant Bosnia-Herzegovina authorities and the political and military structures of the Bosniak Muslim people to this unfortunate incident, which occurred precisely at a moment when representatives of the Croatian and Bosnian Muslim peoples in Bonn agreed on measures for the speedy implementation of the Bosnia-Herzegovina Federation and its confederation with the Republic of Croatia.

The Presidency of the HDZ of Bosnia-Herzegovina demands that the UN peace forces create conditions for the visit of a high-ranking delegation of the Croatian people in Bosnia-Herzegovina to the Croatian people in the Bihac-Cazin region in order to assess first hand the situation and relations in the region and to take the necessary measures for protecting the Croatian population there.

The Presidency of the HDZ of Bosnia-Herzegovina is concerned by the development of events following the arrest of Gen. Vlado Santic, since it could contribute to further destabilization in the Bihac region, and elsewhere too, reads the statement of the HDZ of Bosnia-Herzegovina.

ICRC Suspends Flights to Sarajevo

LD1403183295 Belgrade TANJUG in English 1746 GMT 14 Mar 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, March 14 (TANJUG)—The International Committee of the Red Cross (ICRC) on Tuesday said it had been forced to suspend its flights for Sarajevo for the time being after an attack on its plane.

An ICRC plane was hit by a large-caliber bullet above Sarajevo airport on March 11, the ICRC office in Belgrade said in a statement. No one was hurt in the incident. The statement said the incident was the first of its kind involving the ICRC since the beginning of the civil war in the former Yugoslav Republic of Bosnia-Herzegovina in April 1992.

An attack on a clearly-marked Red Cross plane carrying humanitarian aid is a serious violation of the Geneva Convention, the ICRC statement said and called on the warring sides in Bosnia to respect the symbol of the Red Cross and its humanitarian mission. The organization in 1993 established regular, daily flights to Sarajevo, bringing in humanitarian supplies both to the Muslim and Serb population, the ICRC Belgrade office said in the statement.

Relief Convoy for Srebrenica Turned Away

LD1403195095 Belgrade TANJUG in English 1927 GMT 14 Mar 95

["Pool" item]

[FBIS Transcribed Text] Zvornik, March 14 (TANJUG)—The office of the U.N. High Commissioner for Refugees [UNHCR] on Tuesday ordered eight of its trucks carrying relief aid for the Muslim enclave of Srebrenica, eastern Bosnia, to turn back from the Bosnian Serb town of Zvornik, Bosnian Serb military sources said.

Bosnian Serb authorities on Tuesday permitted the announced transport of UNHCR relief aid for Srebrenica but, contrary to the agreed procedure on the passage of strictly two-truck convoys, eight UNHCR trucks arrived in Zvornik, a town on the border with Yugoslavia, the Zvornik-based military sources said. Although reminded of the agreed procedure, UNHCR representatives declined to send two trucks to Srebrenica and instead ordered back all eight, the Bosnian Serb military sources reported.

Seventeen humanitarian convoys—carrying hundreds of tonnes of food, personal hygiene products, cleansing agents, construction materials and other goods to Srebrenica—have used Bosnian Serb territory to reach their destination since Feb. 1 this year, the Bosnian Serb sources said. They set out that Bosnian Serb authorities had always provided unhindered and safe passage for humanitarian convoys.

SDP Protests 'Autocracy' of RTV Management

AU1403192295 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 14 Mar 95

[FBIS Translated Text] The Presidency of the Social Democratic Party [SDP] of Bosnia-Herzegovina today issued a statement for the public. The statement reads as follows:

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The latest events in Radio Television [RTV] Bosnia-Herzegovina show that the management's autocratic manner and bureaucratic censure have not disappeared despite all the warnings and protests lodged by the SDP of Bosnia-Herzegovina and our democratic public. Forced removal of expert personnel from editorial posts—for example Senad Hadzifejzovic, Milenko Voskic, and others—are just one illustration of the undemocratic situation and unprofessional management of Radio Television Bosnia-Herzegovina. [Words indistinct] of the public competition for the election of editor in chief and director of Radio Television Bosnia-Herzegovina objectively promotes the maintenance of the autocratic outlook in the house.

The requests of a group of parliamentary parties recently submitted to the management of Radio Television Bosnia-Herzegovina and pertaining to a comprehensive improvement of the editorial policy have obviously been completely ignored, reads the statement issued by the B-H SDP Presidency, which goes on to claim that Radio Television Bosnia-Herzegovina does not adequately cover the activities of the SDP president and other party officials. All this has prompted the SDP Presidency to demand that the Program Council of the Management Board put an end to the director's autocracy, which can only provincialize Radio Television Bosnia-Herzegovina and lead it into chaos.

Official Views Parties' Strength, Other Issues

AU1403215195 Sarajevo DANI in Serbo-Croatian 28 Feb 95 pp 6-9, 76-77

[Untitled interview with Nijaz Durakovic, chairman of the Socialist Democratic Party of Bosnia-Herzegovina and member of the Presidency, by Vildana Selimbegovic; place and date not given]

[FBIS Translated Excerpt] [passage omitted]

[Selimbegovic] You have mentioned the power struggle. Let me paraphrase you: Several months ago you said that the Socialist Democratic Party [SDP] had no particular ambitions in that respect, because it was clear to everybody that in the following 10 years there would not be any other rule in the region save the rule of the national parties. Do you still hold the same opinion?

[Durakovic] I did not actually give them 10 years, but the fact is that the degree of national homogenization is rather high. We are at war, national feelings have reached the boiling point, and people simply feel the need for one monolithic body, one leader, one clear and recognizable orientation and ideology. In view of great suffering, particularly among the Bosniak people, who have experienced a planetary cataclysm, it is hard to expect any greater democratic spirit or pluralism. Of course, among intellectuals and certain structures there will always be people who feel and think differently, which is good. For that reason I am quite surprised that such great efforts are being made to eliminate what little place in the sun has remained for activities of other parties. When one wants to boast, then it is said: We have some independent radio stations, some independent newspapers, and then one brandishes these things as if they were proof of democracy, while when criticism follows, then some counterarguments are found. Nevertheless, the fact is that the ruling national parties are incontestable today: the Croatian Democratic Community [HDZ] in the region controlled by the Croatian Defense Council [HVO] and the Party of Democratic Action [SDA] for the most part in the regions controlled by the Army of Bosnia-Herzegovina [B-H Army]. They have indisputable power and influence in the main levers of the society, that is, in the police, in the army and the religious hierarchy, all the way up to the administration. They are penetrating the economy more and more. They have removed almost every one they were able to remove. The problem is that the tendency does not stop in that point. If we continue like this, all the creative and capable people will leave, or will be removed. What is being done in Energoinvest and other firms? A couple of hundreds of proven executive cadres, economic experts and managers have been removed. In Zenica that purge was more drastic, while in Tuzla the efforts are being made to do away with everyone who is not suitable in terms of ideology or party membership. The results are catastrophic. The greatest problem is that we have less and less experts and cadre.

[Selimbegovic] And how is that problem to be resolved, and can we keep the people?

[Durakovic] With a little more concern on the part of the state we can. Some days ago I was a guest in a contact radio broadcast where one quite angry combatant asked me why professors got 50 German marks, while combatants did not get a single dinar, not even in coupons. Of course, he is right, but those poor professors received their miserable salaries of 50 German marks for the first time in three years. There are very few professors, while fortunately there are 200,000 combatants, and because they are in such a small number experts must be stimulated, not only by money, but also by care, attention, a package.... We all know very well how many rascals, thieves, and crooks have made profits in the war. And we also know about academicians, university professors, top experts, or engineers who are virtually living on the edge of existence. Those are not invented things, while it could have been better, with somewhat different distribution, somewhat different attitude and care.... Because, even if peace comes tomorrow, we shall not be able to get out of this difficult situation without brains. Unfortunately, a great number of experts have already fled abroad and found work there. I came across them in different places and at different universities, from (Vulagong?) to Sidney, where I met Sarajevan Muris Cicic, doctor of marketing, and from the universities in Denver, Pennsylvania, Harvard, to the European universities....

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Let Everybody Be in the Same Position

[Selimbegovic] And they do not even think about coming back?

[Durakovic] Many would come back if they had a feeling that someone cares for them, at least making possible basic survival for them. At the recent time something is changing, though. Unfortunately, in this general disaster today we have adopted a fantastic psychology of leveling: Let everybody get humanitarian aid, let everybody be in the same position! We shall not resolve our problems in such a way, because there is simply no way for us to keep those people here. Just look at the situation at the Sarajevo university. Out of, say, 1,500 professors before the war, today we have no more than 400. Some faculties have remained with just a couple of staff. Not even a teacher in the elementary school is able to teach seven or eight subjects! And the situation is precisely as such. We are cutting the branch that we are sitting on. Look at what has happened with our health care system. Why do we have to send the sick to Ljubljana, Zagreb or farther to Europe for operation? We had many good experts and equipment, while now there are less and less of them, and we shall come in the situation when we shall not know who in Sarajevo is capable of adequately fixing our teeth. It is not only the financial motive that is decisive, because some people have been forcefully removed, harassed, suspected, and simply neither the care on the part of the system, nor the good will of the political factors have been shown.

[Selimbegovic] It cannot be said that the system has shown care toward the combatants as well.

[Durakovic] It differs from place to place. There are great differences. Do not view only Sarajevo. I have visited the units from the Buna to the Sava, from Tesanj to Maglaj and other fronts, and there are extremely well-equipped, well-fed units, whose families are relatively well provided for. Everything depends on municipal or regional leaderships, their resourcefulness, capability and organization, and even material assets in certain regions. Perhaps the situation in Sarajevo is the worst, because our guys still wage war in ragged jeans, sneakers, and such things. While some other units, precisely those that the entire fuss has been raised about [Zenica corps], have even ski outfits.

[Selimbegovic] Who provides them with such things? Does the Presidency possess any information about the distribution of funds, donations and their use?

[Durakovic] No, it does not, or rather, I do not have any such information that could answer your question. Which is precisely the problem—why does the Presidency not have any information on the funds and their distribution? This is also very important. Many countries express doubt, to put it mildly, or suspicion regarding where those funds go to and in which way they are spent. Are they controlled by the legal organs of authority? I believe that in the past year more order has been introduced in all that, although I do not have any exact information. Nevertheless, the practice of different individual speculators, who in the name of feigned patriotism and aid to Bosnia literally robbed our poor people of huge money, for which it is not known where it went or in whose hands it ended up, has been frustrated. The scandals that happened abroad, starting from Turkey to Germany, warn that it is a substantial question that will be revealed to the public one day and perhaps in a dramatic way. Not all the things can be justified with the war and blockade. There should have been more control over those funds, they should have been centralized and directly deposited on the government's accounts that already existed at the time. We know that last year, and even the year before, the Ministry of Finances worked out an entire project in that respect, and the government's accounts were opened in many well-known European and world banks, starting from Vienna, Frankfurt.... However, the practice of raising money and distributing it individually and I would say primarily through some partisan channels have been continued. My latest stay in Germany, for instance, showed me that it is so. Shortly before the New Year's Eve a broad benefit action took place in Germany and Austria, called "Winter 94." However, to the questions like who started the action, whom the raised money will benefit, where the money ended up, or how much was raised, nobody knew the answer, or did not want to give it. The SDA and our embassies to Germany and Vienna appeared there as the organizers of the performance. Frequently it was rather disgusting to see ambassadors and employees of our diplomatic and consular missions as they toured with groups of singers, who performed in bars and halls throughout Europe, in order to raise money for suffering Bosnia, while until today nobody knows where those funds ended up, on whose accounts and how much was raised.... Those are very serious questions and I believe that one day they will be put on the public agenda, under some different circumstances and in a much calmer atmosphere, and that many people's chairs will be shaken, and that a huge scandal will most probably inevitably break out. What is known to the public so far, which the German press has recently reported on, is how much Fikret Abdic misappropriated. However, what happened with the money that Ajanovic, who is now in jail, raised? What happened with other donations individually given by some friendly foreign countries? What happened with the funds that were raised in Turkey? The Turkish press is bringing out very critical reports on that, the governments of certain countries are in rather shaky positions because of those things, while here many responsible persons behave as if nothing had happened.

Enough of Denials and Polemics

[Selimbegovic] Since we are talking about scandals, Sarajevo has been shaken by another one recently, that is, the rumors implying a breach between [Prime Minister] Silajdzic and President Izetbegovic.

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[Durakovic] I would not want to guess, because I am not familiar with the real dimensions of that conflict, and whether it really exists. Cooperating with both the president of the Presidency and the prime minister, and taking part at many joint meetings, I have not seen any considerable differences in the political approach and attitude toward the most important questions of Bosnia-Herzegovina: the peace strategy, the way of waging the liberation war, the views regarding the international-legal status of Bosnia-Herzegovina. Occasionally, if we look at the genesis of that relationship, there were certain differences, which is understandable. But we must not disregard the fact that Silajdzic is still the deputy chairman of the SDA, and he is one of the top brass, not only because of the function he performs, but also because of the ideological-political platform that he supports. Which is to say, he is one of the closest collaborators of Izetbegovic's. The story about a breach, that usually boils down to the desire for domination of one or the other, or about the power struggle is overstated, in my opinion, and there are too many speculations about it. It is quite unrewarding to comment on something that is not in the domain of my personal political interest. Perhaps that may be understood as imposed arbitration or adjudication. I have really had enough of denials and polemics of that kind. After all, it is about two men who undoubtedly are the two leading political figures and two leading officials in the country. When I am asked whether the SDP has backed up and in a certain way favored the prime minister in his power struggle, what remains to be said is that the issue is anachronistic in some way. Why does Silajdzic need to struggle for power when he already is in power? He performs one of the leading functions of the Republic and the Federation and it cannot be said that he does not have great influence. [passage omitted]

[Selimbegovic] How do you view the SDA's future political development?

[Durakovic] It is unrewarding to make forecasts of that kind. Today the SDA is indisputably the leading political party. It has taken in its hands all the levers of power, which should not be particularly corroborated. I think that the greatest danger for the SDA comes from what is called the unfortunate bolshevik tradition, from which the SDA has adopted precisely the worst things. In the SDA there obviously exists and quite efficiently functions the principle of democratic centralism, as well as the blind obedience in carrying out the will of the leadership and of the leader himself. The principle of moral-political suitability, as the communist called it, is taking root and a genuinely Bolshevik cadre policy is being pursued. It is enough to underline someone's name red or green, and he will either be promoted or removed. Which is to say, the SDA is assuming the form of a monolith organization with all the defects like exclusiveness, incontestability, leadership's will, membership's devotion, and additionally, an ideological propaganda machinery that irresistibly reminds me of the time of Djuro Pucar [former communist high official]. It is enough just to frown upon or poke a little in some official's statement, or, say, to critically review some occurrences or tendencies, and a whole bunch of the loyal and the righteous, foaming with rage, will immediately raise their voices in condemnation, which frequently assumes quite a primitive character that threatens to destroy the very foundations of democracy and everything that we all at least declaratively support.

[Selimbegovic] What will be tomorrow?

[Durakovic] It is hard to forecast. You have heard the announcement, which I consider to be a sort of litmus-paper, that new elections should be organized. The idea certainly comes from the top officials of the SDA. I do not believe that they seriously mean it. But if new elections were to take place, then everything would look like a huge farce or deceit, out of several reasons.

[Selimbegovic] What reasons?

[Durakovic] Why organize the elections in the conditions when, regardless of the percentage, the greatest part of the territory of Bosnia-Herzegovina is occupied? Second, how those elections are to be organized when more than a half of the population of Bosnia-Herzegovina is not there? Let anybody say how he would organize elections in my native Stolac, where only 16 Bosniaks have remained. If we organize elections in what is called the free territories, that are under the control of B-H Army, does that mean that we indirectly give up the temporarily occupied territories, and recognize or rather factually legalize their occupation? Furthermore, how those elections are to be organized in the situation when the war is waged, with offensives raging everywhere, while people are starving? How would the elections look like in the region where 5th Corps is conducting actions, namely in Cazin, Bihac and so forth? Whoever came across such an idea, and what is the purpose of such demonstration of legality and people's support? Why does the SDA need that? It is certainly incontestable as the ruling party, and it will never be more powerful than it is now, I am quite sure of that. Right now they [SDA officials] can do, I will not say whatever they want, but in any case much as they want, and they can behave and act as the absolute ruling party, and their insisting on the new elections is in my opinion a great farce and deception.

Two Possibilities

[Selimbegovic] Many people already fear what will follow after the expiration of the agreement on cease-fire.

[Durakovic] There are two possibilities, and I do not see the third one, even though it is always possible in the Balkans. The first option is that the West and the United States, and even Russia, will succeed in finally taming Karadzic's hawks and make them accept the Contact Group's plan. For the time being this option is quite improbable, and judging from the reactions from Pale, the chetniks are not giving up their militant ambitions.

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The Munich meeting itself has brought in a portion of optimism, because it seems that the United States and other West allies have finally decided to take a more resolute approach to the implementation of the plan, and to particularly warn that any kind of deal between Zagreb and Belgrade at the expense of Bosnia is out of question. Almost all the foreign officials present there made it quite clear to both Belgrade and Zagreb that internationally recognized Bosnia-Herzegovina, with all that it stands for, must be preserved and that any deal regarding its possible partition or realization of either a Greater Serbia or Greater Croatia plan is out of question. For the first time this was clearly and loudly stated in Munich, which is a great thing, and I view that as a great step forward in the attitude of the world powers toward Bosnia-Herzegovina. Yet, how the situation will further develop remains to be seen. The first possible outcome is that the world powers may still find a way to establish peace here and the so-called political settlement. Of course, thereafter a long-term solution will be sought for other internal questions, the questions of functioning of the Federation, constitutional solutions, the problem of Serbs in Bosnia-Herzegovina and so forth. It is certainly a lengthy, very complicated and laborious process.

The second option, in view of what the leaders from Pale state, and if you analyze the latest statement by [chairman of the Bosnian Serb assembly] Momcilo Krajisnik who believes that this war cannot be brought to an end without new destruction, shelling, and the strangulation of Sarajevo, and that everything will end at the point where it began, and that he does not give up the theory that Sarajevo is a Serbian city and that the Muslims should move out and look for some other capital of theirs—these are the statements he issued several days ago, at some of the most meritorious places—and if you consider the attitude of that quasi-assembly of Pale and generally, what those war criminals like Karadzic, [Nikola] Koljevic, Maksimovic, Ostojic, [Biljana] Plavsic and others are saying, the only thing that remains as the second option is the renewal of clashes in the spring, even more severe than before, that will unfortunately bring about new destruction and casualties among innocent people. In such a situation there is nothing we can do except fight for freedom until the end.

[Selimbegovic] Does that presuppose a lengthy new war?

[Durakovic] Yes, and I mean in the entire Bosnia-Herzegovina. This will require the mobilization of all forces and potentials, and also new diplomatic efforts, not only desperate appeals, demanding a concrete pressure to be applied by the entire world, because we have demonstrated our peace ambitions so many times thus far. We accepted the Vance-Owen plan, which means that Izetbegovic actually made Clinton's position easier by postponing the lifting of the arms embargo for six months, which caused resentment even among many our republican friends in the United States. It is known that we unconditionally accepted the Contact Group's plan, even though we were aware that it is not ideal, that it still divides Bosnia-Herzegovina in a more implicit way, indirectly rewarding the aggressor, and so forth.

[Selimbegovic] In that case will the Republic or the Federation of Bosnia-Herzegovina wage the war?

[Durakovic] It would be good if the Federation waged it, that is, the B-H Army and the HVO together. I have to say that the problem does not lie with the B-H Army. I think the problem is in the leadership of the HDZ and their Zagreb headquarters. Unfortunately, it is much more likely that the Republic of Bosnia-Herzegovina will wage the war, rather than the Federation, even though I would like the opposite case, because if the Croatian and the Bosniak forces fought together, then the war would be much shorter, our victory would be secured and, after all, we would fight together against one and the same aggressor, mutual enemy. There are many political forces, particularly in Croatia, that believe this would be the only right way toward the liberation of both Croatia and Bosnia-Herzegovina. Unfortunately, in Tudjman's headquarters there are still many forces that would readily make up for the losses and failures in Croatia and the entire Croatian policy at the expense of Bosnia-Herzegovina.

I Do Not Want to Be a Pessimist

[Selimbegovic] What is the destiny of the Federation?

[Durakovic] For the time being there is not much of the Federation. We have one canton for which I told you how it was formed. It is an isolated example, meaning nothing but a way toward a certain kind of political manipulation. Still, until transitional local bodies of authority are formed, until cantons are established in the way prescribed by the Constitution, there will be no Federation in those significant segments. I do not want to be a pessimist. It is possible that now, after these talks, something will improve, but our experience tells us that many agreements, having been pompously announced and advertised by the media (like those reached in Vienna, Geneva, Zagreb, and so forth) simply failed to bring about any results. Otherwise, how certain, even banal questions that are of mutual interest for the two countries and the two peoples are to be interpreted? It simply does not work. Why cannot the Bosniaks and other Bosnians get the transit visa through Croatia, so they can at least go back to their homes? Why are they keeping us in a ghetto and absolute isolation? How is the confederation [with Croatia] to be built in the future? It takes one day and a little good will to settle certain things. This is what I constantly repeat: I doubt in the future of the Federation if the main architects and political sponsors of that project will be people who caused and are directly responsible for the tragic conflict between the Bosniaks and the Croats. I have to say that I cannot trust Ivan Bender, Pero Markovic, Dario Kordic and others who said that the cohabitation of the Croats and the Bosniaks was not possible, who said that

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Bosnia-Herzegovina was an illusion and failed invention, who do not see any possibility for the survival of Bosnia-Herzegovina within its internationally recognized borders, who publicly state—I only quote them—that it is an inevitability that a part of Bosnia-Herzegovina will be added to Croatia, and another part will be added to Serbia, while what will happen with the rest of the Bosniak people does not concern them. I cannot trust people who after such statements come to the Assembly of Bosnia-Herzegovina or the Assembly of the Federation and then tell us some stories.

As soon as they leave and give interviews to either Croatian newspapers or those in Herceg-Bosna, they openly work on the destruction of that state. They have already completely rounded off their para-state, and, unfortunately, the Federation will not exist as long as there are such people, who enjoy the political support from Zagreb. Whether a turn in that policy will come about, in compliance with the internal situation in Croatia itself, remains to be seen. For the time being, a close, Mafia-styled circle does everything to obstruct the Federation out of quite concrete interests: Millions of German marks or U.S. dollars are pouring into the hands of individuals by way of thievery, usurpation of imposed duties, tariffs, registration fees, tolls that convoys are supposed to pay and so forth. When all these payments are summed up, the total amounts to hundreds of millions of dollars, and I think that is the key of the problem. That clique, which is supported by powerful political circles in Croatia, simply does not want to give up those privileges, the usurped power and huge money, and until this problem is settled it will be difficult to count on the Federation's future. Some analysts from the Croatian opposition say that there are all in all 1,000 to 1,500 members of that Mafia-styled clique, that should be simply arrested one day because they are involved in criminal activities, and only then the cause would make some headway.

Missed Chances

[Selimbegovic] Nevertheless, a reality is that nothing like that will happen until the expiration of the cease-fire, that is, the status quo will remain, and in the event the war continues the B-H Army will take on the greatest burden alone.

[Durakovic] Possibly, there is another option that might be reckoned with. What will happen if UNPROFOR [UN Protection Force] really withdraws from Croatia—of course, it will not withdraw at once, there is the transitional period beginning with March—and will a real political agreement with the Serbs in Croatia come about, or will UNPROFOR's withdrawal result in a war in Croatia? If it comes to an armed conflict in Croatia, I think that the situation will radically change and influence the internal circumstances in Bosnia. In that case Tudjman would not be able any more to reckon with making a certain deal with Milosevic, and he would simply be forced by the course of events to take an explicit and radically different attitude toward Bosnia-Herzegovina. However, if a sort of status quo remains, then what remains to us is to rely upon the strength of the B-H Army in the first place, and the fact that for the time being the extent of Bosnia-Herzegovina's freedom is directly proportional to the number of territories liberated by the B-H Army and its troops positioned there. Fortunately, the B-H Army is getting stronger and more experienced day by day. Yet, we should not make a fetish out of that. The enemy's power is immense, and we are still at disadvantage, particularly in terms of equipment and weapons, but in any case I do not believe and do not see any possibility that the chetniks might eventually accomplish the military victory. They have definitely missed their chance, and the only problem is that the continuation of the war, that will be very severe if it comes to it, inevitably leads to a huge number of new casualties. We are in a very difficult position, and it should not be particularly explained how many of us have remained and how limited our human potentials are, let alone our economic capacities. Simply, we do not have any other choice, do we? We are supposed to fight not only for our freedom, but literally for our own existence. We shall certainly not allow them to kill us or take us to detention camps with impunity, as before, because they will not be able to do that any more, thank God.

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Martic Against Major Changes to UN Mandate

LD1403171495 Belgrade TANJUG Domestic Service in Serbo-Croatian 1601 GMT 14 Mar 95

[FBIS Translated Text] Knin, 14 Mar (TANJUG)—Milan Martic, president of the republic of Serb Krajina [RSK], sent a letter today to UN Secretary General Butrus-Ghali in which he informs him that the RSK is in favor of the extension of the UNPROFOR [UN Protection Force] mandate in an unaltered form, but he is prepared to see certain adjustments on condition that all signatories to the Vance plan agree to them.

Paying tribute to the secretary general for his influence in connection with the decision to extend UNPROFOR's mandate [as received], Martic warns Butrus-Ghali that any essential change to the mandate that will bring the RSK into an unequal position with the Republic of Croatia will be rejected in advance.

"The people and leadership of the RSK have demonstrated more than once their readiness to resolve all the problems that have arisen with the creation of the new states of the RSK and the Republic of Croatia by peaceful and not by violent means," the RSK president recalls, and stresses that when new resolutions are passed on the further involvement of peacekeeping forces the starting point must be equal treatment for both sides.

Martic thus requests Butrus-Ghali, prior to the adoption of any decision, to consult the RSK negotiating team lest a position is reached in which peace is endangered by the adoption of "a biased or one-sided resolution that favors Croatian interests."

Herceg-Bosna's Jukic on 'Persecution' of Croats

LD1403140795 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 14 Mar 95

[Correspondent Ivan Kristic report from Mostar]

[FBIS Translated Excerpt] Over the last 12 months, since the Washington Agreement was signed, significant progress has been achieved regarding the organization of the Federation, but the overall situation is far from satisfactory. The exodus and persecution of Croats continues. According to the latest reports, almost 6,000 Croats have been expelled from Zenica alone.

This was said among other things at a news conference by Perica Jukic, deputy prime minister of the Croat Republic of Herceg-Bosna, in Mostar today. The Croat side is constantly and unjustly being blamed for lack of will and interest in implementing the agreements, but the real situation is completely different. Whenever progress is made and agreements are achieved—like the latest one in Bonn—the Muslim side reverses the process to the beginning with incidents such as the kidnapping of General Santic, it was said among other things at today's news conference held by the government of the Croat republic of Herceg-Bosna.

The association of volunteers and veterans of the patriotic war of the Croat republic of Herceg-Bosna has favored the idea of a Federation with the Muslim-Bosniak people and a confederation with the Republic of Croatia from the very moment it was set up. The association cannot be indifferent to such a devious act as the kidnapping of its member, Gen. Vlado Santic, and it calls upon all Muslim leaders to immediately respond to this distressing incident, according to an open letter sent to the Muslim leadership by the association of volunteers and veterans of the patriotic war for Herceg-Bosna. [passage omitted]

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Kacin: Perry Sees Country as 'NATO Member'

AU1403190095 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 14 Mar 95

[FBIS Translated Text] Defense Minister Jelko Kacin and Boris Znidaric, State Secretary at the Defense Ministry, have today presented some of the details of what was in their opinion a very successful visit to the United States. As is known, Ministers Kacin and William Perry, who was host to our delegation, signed a memorandum on defense and military cooperation between the countries. Igor Juric reports from their news conference:

[Begin recording] [Juric] Our delegation to the United States first visited the United Nations, where they discussed the lifting of the arms embargo on Slovenia and the development of events in Bosnia-Herzegovina and Croatia in the light of a possible withdrawal of the UN Protection Force [UNPROFOR].

The delegation then visited the Bell factory, where another three helicopters are awaiting dispatch to Slovenia, the last one to arrive in May. They visited a military base in Texas and the Air Force Academy in Colorado Springs, where they concentrated on possibilities of training our personnel.

In Washington, they first held talks with some senior State Department officials, who all demonstrated great sympathy for our country and expressed support for the lifting of the arms embargo on Slovenia. According to Kacin, a planned lobbying campaign for the end of the arms embargo is expected to start in the U.S. Senate and Congress in May. Our side clearly told our partners in the talks that we do not favor any type of UNPROFOR deployment on our soil because we are an independent and peaceful country. The hosts at the Pentagon agreed with this, including Perry, who was very sympathetic toward Slovenia. According to him, we are at the head of a group of countries in transition and he also sees us as a NATO member. At Kacin's invitation, Perry is to visit Slovenia before the end of this year.

Apart from signing the memorandum, Kacin and Perry also discussed concrete cooperation between both armies. The Americans are to help modernize the Slovene Army and organize joint military exercises. According to Kacin, U.S. soldiers will be an increasingly common and frequent sight in Slovenia. He summed up the results of the entire visit by saying:

[Kacin] What is of key importance after our visit is the clear understanding that we have not made a step forward but have moved streets ahead in our relations with the United States. [end recording]

Thaler Views Yugoslav Conflict, EU, NATO

AU1503103995 Munich SUEDDEUTSCHE ZEITUNG in German 14 Mar 95 p 39

[Interview with Foreign Minister Zoran Thaler by Hans-Herbert Holzamer; place and date not given: "Stop Feeding the 'Beast Serbia'"]

[FBIS Translated Text] [Holzamer] During your visit to Bonn, you were quoted as saying that your country is not prepared to act as a mediator in the Yugoslav conflict. Why do you refuse to do that?

[Thaler] The quote is correct. There are several reasons for it. Slovenia is not a power that could effectively take action against problems with which the whole world is already struggling. The United Nations, the Contact Group, and the most influential bodies of this earth are in action. Another reason is the dilemma in which Slovenia is.

For us, it is of vital importance that we are no longer mentioned in the same breath as the former Yugoslavia. This is an image problem. The picture that one has of the former Yugoslavia is disastrous. The Bosnian tragedy, the situation in Serbia, in Kosovo, and in Croatia are connected with it.

The situation in Slovenia is completely different, and we want the world to take note of it. It is dangerous for us if we deal with the problems there as a de facto part of the former Yugoslavia. People who have to make decisions that are important for us might draw wrong conclusions. In Geneva, we had the only contact with Serbia and Montenegro, the so-called Federal Republic of Yugoslavia, in this endless serial story that is now boycotted by Belgrade.

[Holzamer] What did you negotiate there?

[Thaler] Everything that is left of the former Yugoslavia. All that is the reason why we do not mediate in practical politics. However, this does not mean that we are not interested in what is happening there. It is our neighborhood, not far from our southeastern borders. In our country, we have refugees from this region, who have meanwhile stayed with us for years. We are active wherever we can be, in the United Nations, in the CSCE.

In 1991, we made some good proposals, today we refrain from appearances that bring us publicity.

[Holzamer] But you have the best knowledge. And you have the good fortune of not being in a tight corner, you are on the lucky side. Do you not feel any responsibility?

[Thaler] This is a sensitive question, and there are many facets to it. In 1991 and 1992, there was not a week in which Lord Carrington, Vance, Owen, and all the negotiators were not in Ljubljana. Russian Foreign Minister Kozyrev also stopped by regularly. At that time, we were very active, we knew the protagonists, and we knew how they would react. Today, after all the time that has passed, I can tell you that nothing was contrived. The responsible persons in the world made other decisions, that is, their own.

There were also tragicomic situations. Initially, they wanted to transfer the headquarters of the UN Protection Force from Croatia to Sarajevo. At that time,

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everyone in Croatia already knew that in a few weeks Bosnia would be the next trouble spot if nothing was done about it.

[Holzamer] Do you still have reservations about these people?

[Thaler] Whom do you mean?

[Holzamer] Lord Carrington, for example.

[Thaler] No, he and the others did their best. However, in view of Serbia's clear aggression, they regarded it as their task to feed the Serbian beast. This was their problem, to feed it until it would keep quiet and become peaceful. It was not a question of how a solution could be achieved in principle; short-term effects were at issue. I do not believe that we are seeing a considerably different situation today.

[Holzamer] If you no longer want to play a role in the Yugoslavia conflict, what role in Europe are you interested in?

[Thaler] We are in a paradoxical situation. We are pretending that we are nonaligned, not because of our interests, but because we do not appear in these scenarios and structures. There is the Visegrad Group, the states of the Central European Free Trade Association [CEFTA], plus Romania and Bulgaria. For all of them, there are scenarios and timetables, an association with the European Union, with NATO, and so on. And Slovenia? When Clinton was in Prague and we insisted on admission to the Visegrad Group, he said: I thought that you are a member already.

This is paradoxical because, according to many scientific studies and the criteria laid down in them, Slovenia is the most developed country among the post-socialist states. We have stable political conditions, the social situation is comparably good, and our human rights balance is positive.

[Holzamer] Your position is also not defined clearly enough. Do you first want to become a member of the Visegrad Group and then a EU member or do you want to be directly admitted together with other candidates, for example, Malta and Cyprus?

[Thaler] There is not a clear recipe. I see possible variants. We are resolute in our efforts to get closer to the European Union and we therefore need the lifting of the Italian veto against the official start of association negotiations in the Council of Ministers.

The first talks, as early as in 1993, showed that we do not raise problems for any EU member, our living standard per capita is between that of Portugal and Greece. We are active in the CEFTA, which corresponds to the Visegrad group in the field of economy.

Then we have a free trade zone that extends from the Baltics to the Adriatic. We negotiate with the European Free Trade Association, and there are many other things. We regard these as parallel processes in our Europeanization.

[Holzamer] Italy refuses to give up the veto in the Council of Ministers...

[Thaler] For the time being.

[Holzamer] Are you afraid of the Italian right-wing, which is calling for the rescission of the Osimo Treaty, in which, among other things, the border between Yugoslavia and Italy was defined?

[Thaler] Our relations with Italy are complex because Italian politics is complex. In March, during the next session of the Council of Ministers, we will again have the chance to overcome this agony.

[Holzamer] What is the Germans' opinion?

[Thaler] They say clear and simple things. Multilateral affairs must not be connected with bilateral ones. If this were made a principle, chaos would break out in a family of 15 nations because there is always one who has a quarrel. However, there are signals from Rome that it is also interested in an end to the agony. It also pays its price, nobody understands that it is in Italy's domestic policy interest to leave Slovenia at the European door. However, it is true that I am afraid of the developments in Italy. I see that Mr. Fini from the National Alliance is very active in convincing the parties in Europe that the fascists have become democrats. On the other hand, he compensates for that by pithy statements toward Slovenia. Many political parties believe that Slovenia owes Italy something.

[Holzamer] What, financial compensation?

[Thaler] No, no money. We want to fulfill the agreement of 1983. But they do not want the money to which they are entitled.

[Holzamer] Is autonomy for the Italians in Capodistria [Koper] at issue? How many Italians are there?

[Thaler] Three thousand. And we have 100,000 Slovenes in Italy.

[Holzamer] In Friuli.

[Thaler] Yes. If we view the respective protection of minorities without prejudice, the score is 24 to nine for us, according to the criteria of an independent study.

[Holzamer] You treat the Italians better than they treat the Slovenes?

[Thaler] Yes, they have guaranteed seats in the parliament and at the local level. We have Italian schools and double road signs. In Italy, there is not even a law that guarantees anything after the ratification of the Osimo Treaty by the Italian Parliament in 1976.

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[Holzamer] Has new Italian Prime Minister Dini not struck a more moderate tone than his predecessor, Berlusconi?

[Thaler] That is true. My optimism is based on that. The new Italian foreign minister, Agnelli, uses different language to Caputo, who was responsible for the relations with Slovenia and collected signatures against Osimo.

(On 7 March, Italian Foreign Minister Giovanna Agnelli gave up the resistance to the start of the negotiations—the editors)

[Holzamer] You also have problems with your neighboring country, Croatia.

[Thaler] Yes, since 1991. There are some open questions, but we are well on our way to answering them. Commissions on border and financial questions are preparing solutions that are to be resolved at a meeting of the prime ministers this month. However, there are no irritations for one of the two sides. But the economic relations are loosening.

[Holzamer] You are participating in NATO's Partnership for Peace. Is this enough for your security interests?

[Thaler] We regard it as a preparatory stage for full membership. There is a relevant declaration by the parliament. However, we do not appear in NATO's security scenarios. We have never been part of the Warsaw Pact, there is no resistance from Russia, we would have no problems integrating into NATO structures, and we do not need financial support for it. However, our calls are not heard.

[Holzamer] There are also voices that say that the Slovenes have a certain arrogance because they were already the most efficient people in Yugoslavia. The Slovenes fail to see that, today, they are the inhabitants of a small country, it is said.

[Thaler] If we were the first in Yugoslavia, we were perhaps the first in the village. The distance between Yugoslavia and Austria, for example, increased further and further. However, we do not have identification problems.

Our dream that our nation will become a state has become true. However, we did not become Slovenia in order to isolate ourselves, we are seeking a place among the European nations with equal rights. There are also European skeptics in Slovenia who say that we did not gain independence to sell it to the Germans.

[Holzamer] I suppose you are the youngest European foreign minister?

[Thaler] This is possible, but I have never checked it. I am 33 years old.

[Holzamer] How did you get this job?

[Thaler] In 1986, I concluded my study of international relations at Ljubljana University. At that time I was active in youth and students' movements. We were looking for a way out of socialism, then we turned our movements into political parties and won the election.

[Holzamer] If, at that time, in 1986, you had been told that you would become Slovenia's foreign minister some day, how would you have reacted? Would you have laughed?

[Thaler] I was a student since the early eighties. The most important political changes of our peaceful, democratic revolution took place in the second half of the decade. Even at that time, we only joked about the socialist regime. It was only a matter of time and of tactics. We knew that we would not die under a socialist regime, we were full of energy and optimism. And it was fun.

Thus, I would not have laughed at this question. The revolution did not start as late as June 1991, as many in the West believe. We had been on our way for a long time.

Personnel Changes in REPUBLIKA Management

95BA0174B Maribor VECER in Slovene 11 Feb 95 p 2

[Article by (pj): "Replacement in REPUBLIKA's Leadership"]

[FBIS Translated Text] Mile Setinc, former head of the government information office, has been appointed acting managing editor of the newspaper REPUBLIKA by the oversight board of the D.F.M. publishing company. The former managing editor, Marjan Sedmak, who is also the president of the Slovene Journalists Society, will be on leave until the end of February. There has not yet been any agreement on what his position at REPUBLIKA will be in the future.

Setinc said yesterday that he hoped that the change in leadership would mean an end to the departure of reporters because of the conflicts that occurred in the editorial office last year. In recent months, Ivanka Mihelcic (who came to REPUBLIKA from DNEVNIK) and Miran Lesjak (previously at DELO) left REPUBLIKA's domestic politics editorial office.

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Federal

President's Speech Marks Anniversary of UN

AU1403190195 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 14 Mar 95

[Excerpt from an address by President Zoran Lilic, at the constituent session of the Committee for the Marking of the 50th Anniversary of the United Nations, in Belgrade on 14 March—recorded]

[FBIS Translated Text] I must emphasize that as a country we have consistently championed the strict observance of the principles and goals of the UN Charter, primarily, the principle of the sovereign equality of countries, equality and self-determination of peoples, the ban on the use of force and [words indistinct], the peaceful resolution of conflicts, the noninvolvement in internal affairs, the observance of fundamental human rights and liberties, and above all, the observance of international peace and security. Our country has clearly favored the application of the principle of the organization's universality because the United Nations with its 185 members and the tendency toward further expansion is, objectively speaking, a universal and truly international organization.

Unfortunately, under the influence of the considerably altered balance of powers in the world there are at present efforts within the United Nations to change some of the principles of the UN Charter and bypass them in practice. This is definitely undermining the foundations on which the United Nations was built. Such tendencies have been most pronounced precisely in the case of the Yugoslav crisis. The UN Charter, the fundamental principles of the United Nations, as well as some of the fundamental principles of international law that rest on this charter, have been violated by many decisions. A drastic example of such tendencies is the suspension of the FRY [Federal Republic of Yugoslavia] from the work of the General Assembly and the introduction of sanctions against the FRY and I believe that we must emphasize this at today's gathering.

However, there is a growing awareness in the international community about the gravity and consequences of such an attitude toward the FRY, regarding not merely the future of global international relations but also the future role and significance of the United Nations. I would like to emphasize that, on the basis of our principled and peaceloving policy, we are justified in our expectations that Yugoslavia resumes its legitimate place in the United Nations as soon as possible, that the sanctions be completely abolished, and that the United Nations and especially the UN Security Council in this way return to the fundamental principles of the UN Charter.

The United Nations will by all means continue to represent the most universal and irreplaceable of organizations while the principles of the UN Charter will form the basis on which we should build the new world order in the future.

Here I would like to draw attention to the development of events in the last few years. Namely, if the new world order were to be based on the precedent set by the crisis on the territory of the former Yugoslavia, then such an order would definitely create possibilities for clashes of much wider dimensions with unforeseeable consequences.

I do not doubt that the United Nations will on this occasion, too, demonstrate its full vitality and will adapt to the new circumstances, and that all its members will assume the most active role in the creation of the new world order. They can fulfill this role only if they safeguard the consistent observance of the UN Charter's fundamental principles and goals and, above all—I would like to stress this once more—the principles of equality and equal participation of all countries in international relations.

The United Nations should remain the widest of democratic organizations of all counties and peoples and should function in the interest of peace and progress. This is the fundamental goal toward which the United Nations, all its members, and all progressive peoples of the world should aspire.

Finally, I hope that, just as it had for decades, the FRY will at present and in the future be willing to actively participate in the entire process of transformation of international relations and make a full contribution to the revitalization of the United Nations. Only democratic development in conditions of peace can allow future generations to live safely, in economic prosperity, mutual cooperation, and equality. In this name I hope that in the year marking such an important jubilee as the 50th anniversary of the United Nations we concentrate precisely on these goals and that they are the guiding star of FRY policy.

Production Declines in Metallurgical Industry

95BA0112A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 2 Jan 95 p 18

[Article by P. Ursic: "Metally Retarded"]

[FBIS Translated Text] If it had not been for the ability of its largest firms to make iron and steel and fabricate them into castings, machines, vehicles, electrical appliances, and even ships that will sail under foreign flags, even in its "golden years" Yugoslavia would hardly have been treated other than as a country of natural beauty that could be recommended to eccentrics among the environmental tourists whose stay is made more pleasant by peasants, miners, and craftsmen who are poor but hospitable.

The share of the steel industry, metal manufacturing, and the electrical products industry in the country's social product is declining rapidly, however. While industrial output this year has recorded a growth of 2 to 3 percent over last year, the output in these industries is

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considerably less than last year, and a comparison to the level of output in 1989 would be unseemly.

Diagnosis

The international sanctions, it is true, have turned exporting and importing into reckless adventure, have multiplied the prices of raw materials and production supplies smuggled in somehow, and have reduced the earnings of the rare exporters, but the accomplishment of the Yugoslav state is equally worthy of attention: In its feverish search for "real sources of budget revenues," it has not forgone even duties collected on imports of raw materials and production supplies not produced in the country; that is why it has meanwhile determined import quotas sloppily or even speculatively, liberalizing to the extreme the importation of certain finished products; many businessmen, waiting months for import and export permits, have been losing money, time, and patience....

The state has not renounced its "share" in collecting taxes either, and most of them come from the bite on the earnings of employees, which again are highest among the steelworkers and metalworkers. But the process of intensive ruralization of domestic industry cannot be slowed down to any considerable extent even by changes that are not expected in the monstrous foreign trade and fiscal policy: The paucity of investments and credits—as important barriers to a renewed collapse of the dinar and torrent of hyperinflation—is frustrating realization of deals already made. Even the welcome removal of the embargo will not be salvation in the touch of a magic wand. The agony of domestic industry—especially the steel and metal-manufacturing industries—began, that is, back in 1990, mainly as an expression of the definitive disappearance of the unified market of the SFRY [Socialist Federal Republic of Yugoslavia] with a population of 20 million and the equally concealed, but considerably more extensive, common market of the countries of East European communism.

So, adaptation to the altogether different environment presupposes extensive structural adaptation and essential changes in the economic system. Otherwise, our "economic giants and vehicles of development" will be constantly producing losses, it is clear to people in the Association of the Yugoslav Steel Industry and indeed to most of the managing directors in it who are members of the Committee for Metal Manufacturing and Electrical Products Industry of the Serbian Chamber of Commerce. The competent authorities, meanwhile, are still using up their time-out, and foreign investors will hardly be getting in their way, although a sizable portion of the domestic public, force-fed reports that do not jibe with the repetitive experience of countries in full "transition," to put it mildly—naively think that those investors are waiting in the starting gate, ready for the sanctions to be removed.

Symptoms

Iron and steel production increased appreciably in the second half of the year, after the program "Iron" was launched in June at the Smederevo Steel Mill. But the 18,000 metric tons of raw iron produced represents only 30 percent produced by the same mill in the first 11 months of last year, and the output of raw steel, in spite of the rapid growth of monthly production, is 28.5 percent less than over the same period of last year.

Production Is Declining...

	January-November	
	94/93	94/89
Industry (total)	99.0	35.3
Metallurgy	99.5	—
Steel industry	73.6	11.2
Metal manufacturing and electrical products	86.8	15.1
Metal fabrication	78.9	19.2
Machine building	69.1	8.5
Transportation equipment	87.1	6.0
Shipbuilding	128.3	17.3
Power machines and electrical appliances	114.4	18.4

...But the Size of the Labor Force Is Rising!

	Total Number		On Compulsory Leave	
	Mar	Oct	Mar	Oct
Industry	848,040	844,301	175,970	120,714
Metal manufacturing	86,705	85,599	22,138	16,245
Machine building	48,296	53,287	10,647	9,135
Transportation equipment	74,350	72,711	29,227	20,771
Shipbuilding	5,150	4,911	1,271	1,466
Power machines and electrical appliances	48,282	48,549	15,281	10,048

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At the same time, the one-fifth drop in domestic supply of finished products has not caused disruptions on the market, because imports increased all of 67 percent. The fantastic growth of imports is a consequence of increased domestic demand, especially in construction, and also of the abundant and markedly inexpensive offering of finished steel products from East Europe; but also of the minimum tariffs and import charges, which, however, has only increased the earnings of the importers, they say in the Association of the Yugoslav Steel Industry, adding that so far only slightly more than half of the import quota approved, which obviously was set very clumsily, has been used.

Almost identical problems are troubling metal manufacturing and the electrical products industry, in which output has dropped 13.2 percent in spite of the "overachievement" achieved in shipbuilding and the production of power machines and electrical appliances. The largest shortfall was recorded by machinebuilding, an industry badly hurt by the halting of major capital investment projects. Firms that are still maintaining a certain level of production are surviving mainly by committing themselves to maintaining operating readiness of public utilities, whose debts are meanwhile continuing to rise....

Metal fabrication has achieved a somewhat smaller drop of production, but not a more comfortable position. The situation is particularly difficult for large-capacity foundries that have a high technological level; unfortunately, they are not needed to meet the modest needs for castings in the tractor and transportation equipment industry, in whose destiny they are also bound. Forge and press operators are also anxious about the fate of manufacturers of agricultural and construction machines, and producers of metal materials for installation are not helped even by their considerably more diverse assortment, which "covers" the chemical, food-processing, and petroleum industries, shipbuilding, electric power, and some needs of households—because of the difficulties in those industries and also the low purchasing power of the population. Transportation equipment production recorded the smallest decline from 1993, but also the largest drop from 1989, when it produced no less than 16-fold more vehicles than this year.

The fact that they will be lucky in the coming year to produce 20,000, instead of 220,000-230,000 vehicles, at Zastava, which is crucial to the destiny not only of the nearly 50,000 employees in its 48 companies, but also to the destiny of an immense portion of domestic industry, suggests the conclusion that this is a general problem that will have to be solved in a general context.

Serbia

'Mass Movement' of Tanks to Croatian Border Noted

AU1403193195 Belgrade NASA BORBA in Serbo-Croatian 14 Mar 95 p 2

[Report by B. Lazukic: "Tank Movement Toward Croatia?"]

[FBIS Translated Excerpt] Novi Sad—"Over the last few days we have been watching with trepidation the ominous movement of tanks toward Bezdan and their concentration around UN Protected Area East in Croatia. The anger over "the vulture-like" preying of the mighty war machinery over the final outcome of the dilemma about the UN Protection Force's stay or departure from Croatia is even greater because, according to our sources on the other side, too, tank barrels again are again being aimed as the source of death and insane war chaos that we have observed silently and powerlessly for the past four years."

Just as in 1991

This was written in a joint reaction by four peace organizations from Vojvodina: The Center for Antiwar Action Belgrade (its Ada branch), the Group for Peace Actions M from Pancevo, the Peace Group from Sombor, and the Society for Peace and Tolerance from Backa Palanka, who gathered in Backa Palanka on Saturday and Sunday [11 and 12 March] for a two-day seminar to coordinate the activities of the Vojvodina peace organizations.

Following in the footsteps of the alarming news in this joint statement about the concentration of tanks around Bezdan, we subsequently learned yesterday that the information was issued at the seminar by the activists of the Peace Movement from Sombor, who personally observed the movement of "the mighty war machinery" of the Yugoslav Army on the ground. With the warning that they had had similar experiences in 1991, at the beginning of the armed clashes in Croatia, the peaceniks [mirovnjaci], continuing their reaction, conclude:

"Determined to remain silent no longer in the face of the possibility of a new war conflict and even less willing to be silent witnesses, we are asking the regime in Serbia what the mass movement of tank units from Sombor to Bezdan means? Has the theory that peace has no alternative already been abandoned and the alternative found in these steel spreaders of death? [passage omitted]

SPO Welcomes 'Unchanged' UNPROFOR Mandate

AU1403170693 Belgrade Radio Beograd Network in Serbo-Croatian 1800 GMT 14 Mar 95

[Report by Biljana Jeremic on "regular" SPO press conference]

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[FBIS Translated Text] The SPO [Serbian Renewal Movement] has assessed the latest events concerning UNPROFOR [UN Protection Force] as a positive change, said Milan Bozic, deputy in the Federal and Republic Assemblies and adviser to the SPO. In accordance with the Vance plan, the UNPROFOR mandate will remain unchanged, but there is the fear that the international negotiators have agreed to many concessions, which they believe was Tudjman's main tactical idea. The SPO believes it would be very dangerous if the international community agreed to a revision of the UNPROFOR mandate, or to its redeployment or reduction in its size in the area. Bozic emphasized that it must stay where it is, with its number and tasks the same as laid down by the Vance plan, and negotiations must be continued in accordance with the plan, which envisages that they stay until the status of Krajina is resolved in direct negotiations. The SPO appealed to the conflicting sides to start negotiating immediately, as only negotiations can lead to a solution without bloodshed.

Montenegro

Kilibarda: Tudjman Obtained 'New Concessions'

LD1403165995 Belgrade SRNA in Serbo-Croatian 1523 GMT 14 Mar 95

[FBIS Translated Text] Podgorica, 14 Mar (SRNA)—Novak Kilibarda, president of the People's Party of Montenegro [opposition party], said in Podgorica today that Tudjman has given up on his aim to expel UNPROFOR [UN Protection Force] in exchange for new concessions promised by Germany and the United States.

Kilibarda told SRNA that Tudjman skillfully manipulated the status of peacekeeping troops in Croatia in order to strengthen his authority in Croatia.

"It is a sad fact that Serbian and Montenegrin policymakers are not capable of forecasting events; they are even saying that Tudjman's decision is good for the people of the republic of Serb Krajina [RSK].

Kilibarda warned that the RSK would be condemned to a quiet death if checkpoints were introduced on Croatia's so-called international borders.

Montenegro-Croatia Border Conflict Viewed

95BA0173A Podgorica POBJEDA in Serbo-Croatian 15 Feb 95 p 4

[Article by "Z.D.": "Serbian Radical Party News Conference: Prevlaka threshold to House"]

[FBIS Translated Text] Podgorica, 14 Feb—At today's Serbian Radical Party news conference, Acim Visnjic, vice chairman of that party's Central Homeland Office, discussed what he called the biggest problem of the Federal Republic of Yugoslavia [FRY]—Prevlaka. The Croatian Armed Forces recently occupied the strategically important hill of Kupica in Prevlaka, Visnjic said. Through that act, Croatia humiliated the Armed Forces of Yugoslavia, because it had clearly let it be known that it wanted to take the "threshold to the house" and completely seal off Boka Kotorska Bay. The Croatian Armed Forces have established a series of bunkers and roads at that position, which means that all the talk of Prevlaka devolving to the FRY is falling through. The dark cloud of a major war has again descended over the Balkans. Because of this, the people must be told to prepare for war over Prevlaka, Visnjic said.

At today's news conference, Visnjic informed journalists that the leaders of the People's Party and the LSCG [Liberal Alliance of Montenegro] do not accept the debate with President Momir Bulatovic because the president also invited the leaders of the Radicals and of the SDP [Social Democratic Party] to that debate. If this debate happens, Visnjic said, the Radicals should also be represented by Vojislav Seselj.

Kosovo

Rugova Warns of 'Dangerous' Army Recruitment

AU1403171295 Tirana RILINDJA in Albanian 11 Mar 95 p 3

[Report by Behxhet Haliti on news conference by LDK leader Dr. Ibrahim Rugova, in Pristina on 10 March: "The Recruitment of Albanian Youth—A Very Dangerous Campaign"]

[FBIS Translated Text] Dr. Ibrahim Rugova, president of the Republic of Kosova, outlined Kosova's political stands at a news conference yesterday and also spoke about other topical issues in Kosova and the Albanian territories. As usual, he concentrated on the Serbian campaign of violence and coercion in Kosova, considering as particularly dangerous the campaign involving the harassment and arrest of young Albanians and their press-ganging into the Serbian army.

Recruitments of Albanians May Be Tied to Possible New Confrontations

Dr. Rugova began the news conference by talking about the recruitment campaign, saying that deserters from the former Yugoslav Army are also hunted down and that 900 call-up papers have so far been issued to young Albanians. Young Albanians have not been going to the Army for some years and are periodically harassed and forcibly sent to the Army. This is a major campaign, and in the area of Suhareke alone 20 young deserters from the former Yugoslav Army in Croatia, Bosnia, and Slovenia have been imprisoned. Seven young people from Rahovec have been sent to prison in Nic, and 11 people have been sought in their homes in Prishtina. These forcible enlistments have been going on for five

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years. This is a savage campaign against young Albanians, which puts pressure on them to leave Kosova. Following the campaign against the police last year, this is a very dangerous campaign, which strikes at the heart of the most vital section of the population in Kosova. On this occasion we remind the international community, and Serbia too, that this campaign could cause large-scale distress in Kosova. It is also expected that the Albanians in Ulqin [Ulcinj], i.e. in the Albanian area of Montenegro, will be mobilized for the Serbian Army. We urgently demand an end to this dangerous campaign. It may be connected to the dangerous campaign of confrontation that is being talked about today, with possible new conflicts in Croatia, Bosnia, and elsewhere, which could also spread south in the Balkans. Meanwhile, some Serbian associations are unfortunately calling for new volunteers from Kosova for Bosnia and Croatia. This campaign might be connected to the fact that many European countries wish to repatriate Albanian young people to Kosova, while on the other hand Serbia is expelling them from Kosova and putting pressure on them.

Apart from this campaign, daily repression has also unfortunately continued in various forms. There were about 17 police raids last week in several Kosovar communities on the pretext of searching for weapons. They were accompanied by cases of mistreatment and arrests. In Nis, Dr. Rugova said, two Albanian officers of the former Yugoslav Army were sentenced to prison. Elham Llugiqi was sentenced to three and a half years and Azem Mula to a year and a half. Meanwhile, former Kosovar policemen are still being tracked down and violence against Albanian schools is being stepped up. In Vushtrri [Vucitrn], Ymrane Blakaj and Muharrem Merovci were each sentenced to 15 days' imprisonment, while Mrs. Blakaj's husband was threatened with physical liquidation. There was also violence against LDK [Democratic League of Kosovo] activists last week. Kadri Avdiu, chairman of the LDK branch at Ternave near Pudujeve, was manhandled several times and is now again being threatened. We once again demand the release of all Albanian prisoners.

Besides this repression, the colonization campaign has also continued. President Rugova said that it is planned to build 250 houses near Decan. It has been announced that 70 refugees have found work in Prizren, while kiosks and shops are to be given away free in Prishtina.

An Important Resolution on Kosova

Continuing yesterday's news conference, Dr. Rugova said that, in spite of this repression, Kosova has been at the center of international attention. We welcome, he said, the initiative of the United States to send additional forces to Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]. We also welcome the analysis of the British diplomat Robinson, which states that the Serbs are retaining Kosova by force and praises the way in which the Albanians have organized their lives. We welcome the fair and very civilized Anglo-Irish agreement, and the fact that a solution has been found to this conflict too. We also welcome the UN resolution on human rights in the former Yugoslavia, which was approved at the United Nations' 51st session in Geneva; it devotes several sections to violations of human rights in Kosovo, calls for the return of the OSCE [Organization on Security and Cooperation in Europe] mission or for an international presence in Kosova, demands permission for a visit to Kosova by UN special rapporteur Mr. Tadeusz Mazowiecki, deplores the dire situation in Kosova, and calls for a solution to it. We welcome the speeches on Kosova by the representatives of Switzerland, Japan, and Norway at this important international session. President Rugova also welcomed the statement by U.S. Assistant Secretary of State Holbrooke, in which he declared that the lifting of sanctions against Serbian and Montenegro will be conditional on the question of Kosova, among other issues in the former Yugoslavia.

New Confrontations in the Balkans Also Endanger Europe

Asked by ATA's correspondent to comment on the statements by West European and U.S. diplomats that the withdrawal of the blue helmets from Croatia could lead to the spread of the conflict in the Balkans and Europe as a whole, President Rugova said that this was indeed a major and very serious issue. I think that some solution will be found at the last minute to prevent the spread of the war to Croatia, Bosnia, and other parts of the Balkans. Croatia has announced the departure of the UNPROFOR [UN Protection Force] troops, but I hope that some compromise will be found to save the situation, because new wars and confrontations in the Balkans will mean greater problems for Europe too, Dr. Ibrahim Rugova said.

[passage indistinct] Rugova for his opinion of the statement by President Berisha the day before yesterday, in which he said that the Kosova issue is a major problem, which calls for the encouragement of dialogue between Prishtina and Belgrade, and in which he called on both sides to surrender their maximum objectives and to find the necessary compromise that will ensure peace and prosperity. Is there any probability of an Albanian-Serbian dialogue starting soon?

President Rugova said that it is well known that our standpoint and our overall policy favors dialogue. Of course it is important for dialogue or talks to start. Our position is that this dialogue should take place in the presence of a third party. We are working in this direction and the international community must help even more where this is concerned.

TANJUG's correspondent asked President Rugova to comment on the attitude of German President Herzog during his visit to Albania, where he stated that the question of Kosova must be settled within the framework of extended autonomy. Dr. Rugova said that

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President Herzog had said, out of good intentions, that the Kosova question must be solved on the basis of the political will of the Albanians. There are now various options for Kosova and other parts of the former Yugoslavia. In discussions of various kinds, different options and all sorts of suggestions may arise, and there is nothing wrong with this. President Herzog and others in Europe and the world know that the political will of the Albanian people is for an independent and neutral Kosova and that we are working in this direction.

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